



June 9, 2008

Diana Mason
State of Utah
Department of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Directional Drilling R649-3-11
NBU 1022-24G1S
Surface: NWNE Sec 24-T10S-R22E 1044' FNL & 1601' FEL
Bottomhole: SWNE Sec 24-T10S-R22E 1515' FNL & 1580' FEL

Dear Ms. Mason:

Pursuant to the filing of Kerr-McGee Oil & Gas Onshore, L.P.'s Application for Permit to Drill regarding the above referenced well on June 9, 2008, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling of Wells.

- Kerr-McGee's NBU 1022-24G1S is located within the Natural Buttes Unit area.
- Kerr-McGee is permitting this well as a directional well in order to access portions of our lease which are otherwise inaccessible due to topography.
- Furthermore, Kerr-McGee hereby certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based on the above stated information Kerr-McGee requests the permit be granted pursuant to R649-3-11.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin McIntyre', with a stylized flourish at the end.

Kevin McIntyre
Regulatory Analyst

RECEIVED
JUN 10 2008
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ST ML 23610	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: 891008900A	
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP				9. WELL NAME and NUMBER: NBU 1022-24G1S	
3. ADDRESS OF OPERATOR: P.O. Box 173779 CITY Denver STATE CO ZIP 80217-3779			PHONE NUMBER: (720) 929-6226	10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1044' FNL & 1601' FEL AT PROPOSED PRODUCING ZONE: SWNE 1515' FNL & 1580' FEL <i>638081X 44220094 39.938936 -109.383891</i> <i>638089X 44218664 39.937543 -109.383817</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 24 10S 22E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 33.3 miles east of Ouray, Utah				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1044'		16. NUMBER OF ACRES IN LEASE: 200		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 20	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 3000'		19. PROPOSED DEPTH: 7,754		20. BOND DESCRIPTION: RLB0005237	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4983'		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION: 10 days	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8"	J-55	36#	1,500	Premium Cement	215 sx	1.18 15.6
					Premium Cement	50 sx	1.18 15.6
7 7/8"	4 1/2"	I-80	11.6#	7,754	Premium Lite II	760 sx	3.38 11.0
					50/50 Poz G	750 sx	1.31 14.3

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Kevin McIntyre TITLE Regulatory Analyst I

SIGNATURE *Kevin McIntyre* DATE 6/9/2008

(This space for State use only)

API NUMBER ASSIGNED: 43-047-40131

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:

Date: 01-28-09

(See Instructions on Reverse Side)

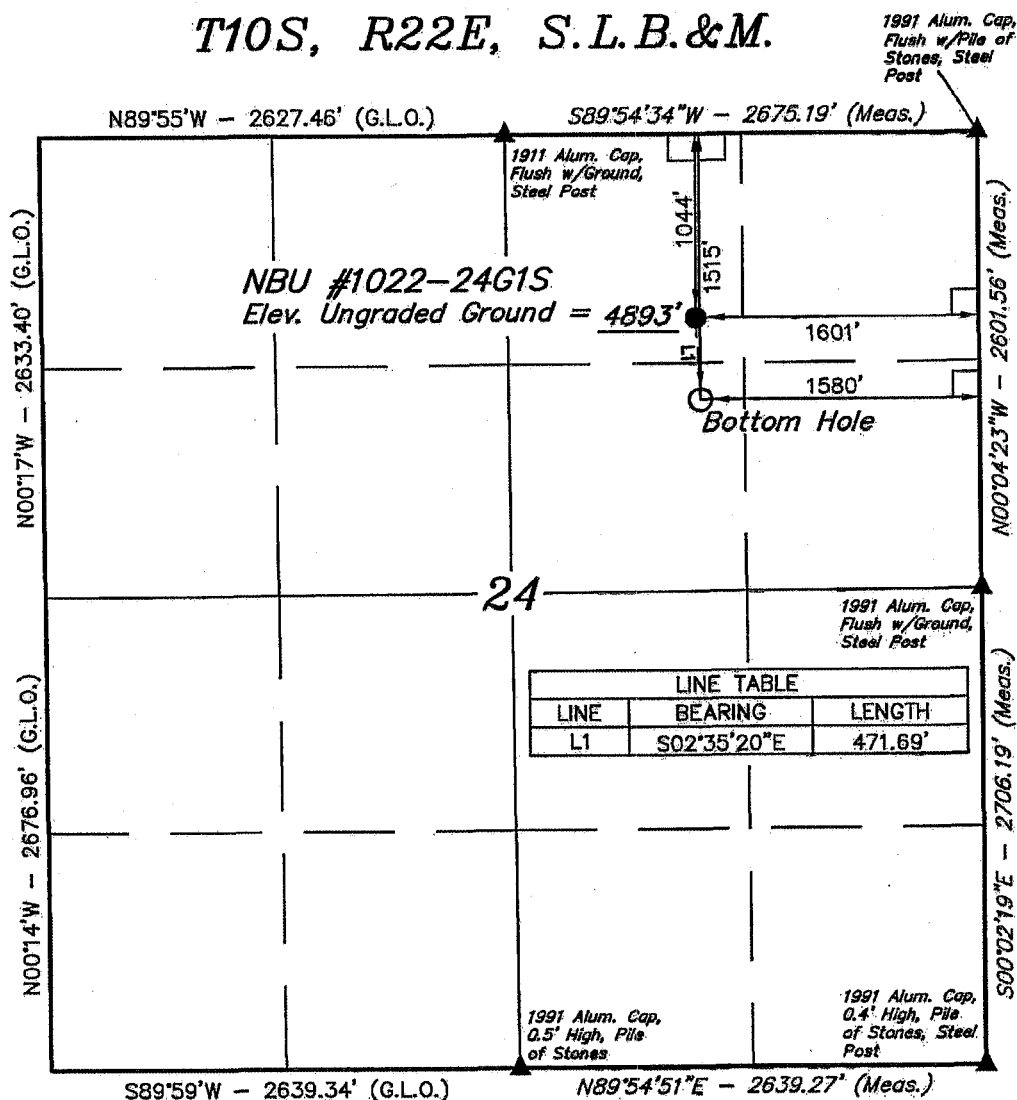
By: *[Signature]*

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JUN 10 2008

DIV. OF OIL, GAS & MINING

T10S, R22E, S.L.B.&M.



Kerr-McGee Oil & Gas Onshore LP

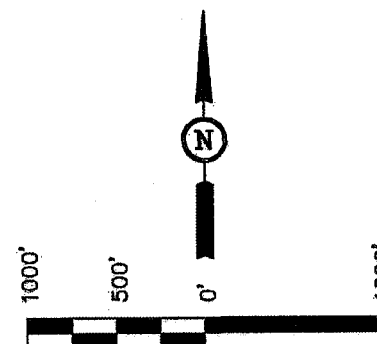
Well location, NBU #1022-24G1S, located as shown in the NW 1/4 NE 1/4 of Section 24, T10S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

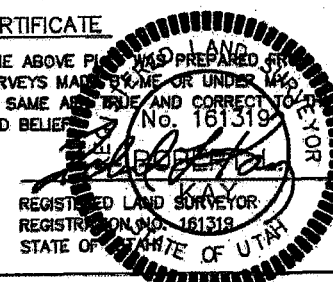
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REVISED: 05-16-08

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

NAD 83 (SURFACE LOCATION)	NAD 83 (TARGET BOTTOM HOLE)
LATITUDE = 39°56'19.63" (39.936788)	LATITUDE = 39°56'14.98" (39.937494)
LONGITUDE = 109°23'04.56" (109.384600)	LONGITUDE = 109°23'04.29" (109.384525)
NAD 27 (SURFACE LOCATION)	NAD 27 (TARGET BOTTOM HOLE)
LATITUDE = 39°56'18.75" (39.938819)	LATITUDE = 39°56'15.10" (39.937528)
LONGITUDE = 109°23'02.11" (109.383818)	LONGITUDE = 109°23'01.84" (109.383844)

SCALE 1" = 1000'	DATE SURVEYED: 04-29-08	DATE DRAWN: 05-05-08
PARTY: L.D.K. J.R. L.K.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

**NBU 1022-24G1S
NWNE Sec. 24, T 10S R 22E
UINTAH COUNTY, UTAH
ST ML 23610**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	431'
Top of Birds Nest Water	768'
Mahogany	1127'
Wasatch	3475'
Mesaverde	5672'
MVU2	6509'
MVL1	7094'
TVD	7700'
MD	7754'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	431'
	Top of Birds Nest Water	768'
	Mahogany	1127'
Gas	Wasatch	3475'
Gas	Mesaverde	5672'
Gas	MVU2	6509'
Gas	MVL1	7094'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 7754' TD, approximately equals 4807 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3101 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

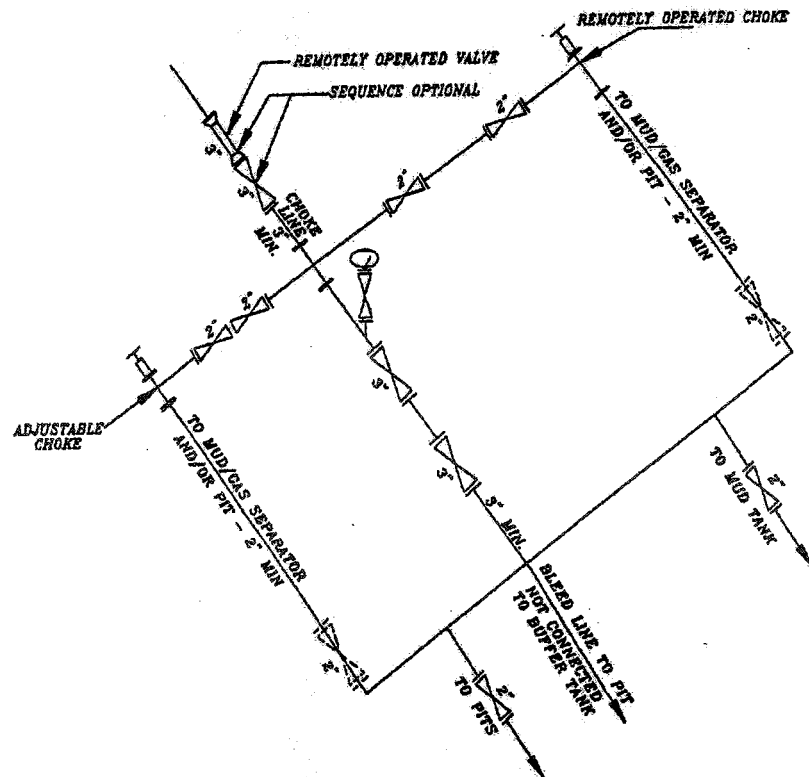
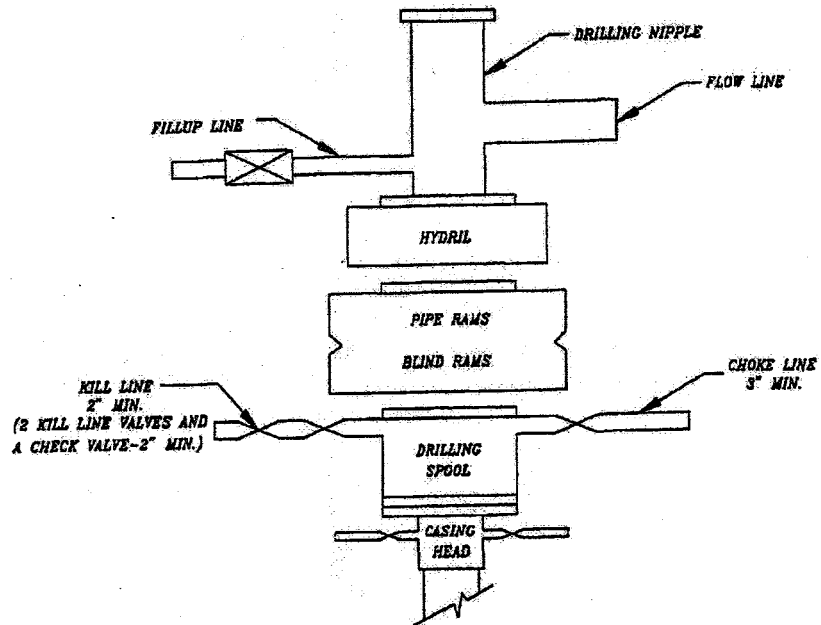
9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

**NBU 1022-24G1S
NWNE Sec. 24, T 10S R 22E
Uintah County, UT
ST ML 23610**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Directional Drilling:

In accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, this well will be directionally drilled in order to access portions of our lease which are otherwise inaccessible due to topography.

2. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

3. Planned Access Roads:

Approximately 2.3 mi. +/- of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

4. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

5. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 20,438' of 4" pipeline is proposed. The total distance on state land is 16,291', the total distance on BLM land is 3,207, and the total distance on Fee land is 940'. Refer to Topo D for the proposed pipeline.

6. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

7. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

8. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural

drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E, Pipeline Facility, Sec. 36, T9S, R20E, Goat Pasture Evaporation Pond, SW/4 Sec. 16, T10S, R22E, Bonanza Evaporation Pond, Sec. 2, T10S, R23E.

9. **Ancillary Facilities:**

None are anticipated.

10. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

11. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

12. Surface/Mineral Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

13. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey has been completed and is attached.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it Within 460' of any non-committed tract lying within the boundaries of the Unit.

14. Lessee's or Operators's Representative & Certification:

Kevin McIntyre
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779
(720) 929-6226

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

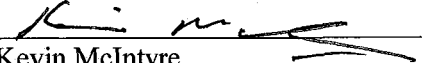
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Kevin McIntyre

6/9/2008

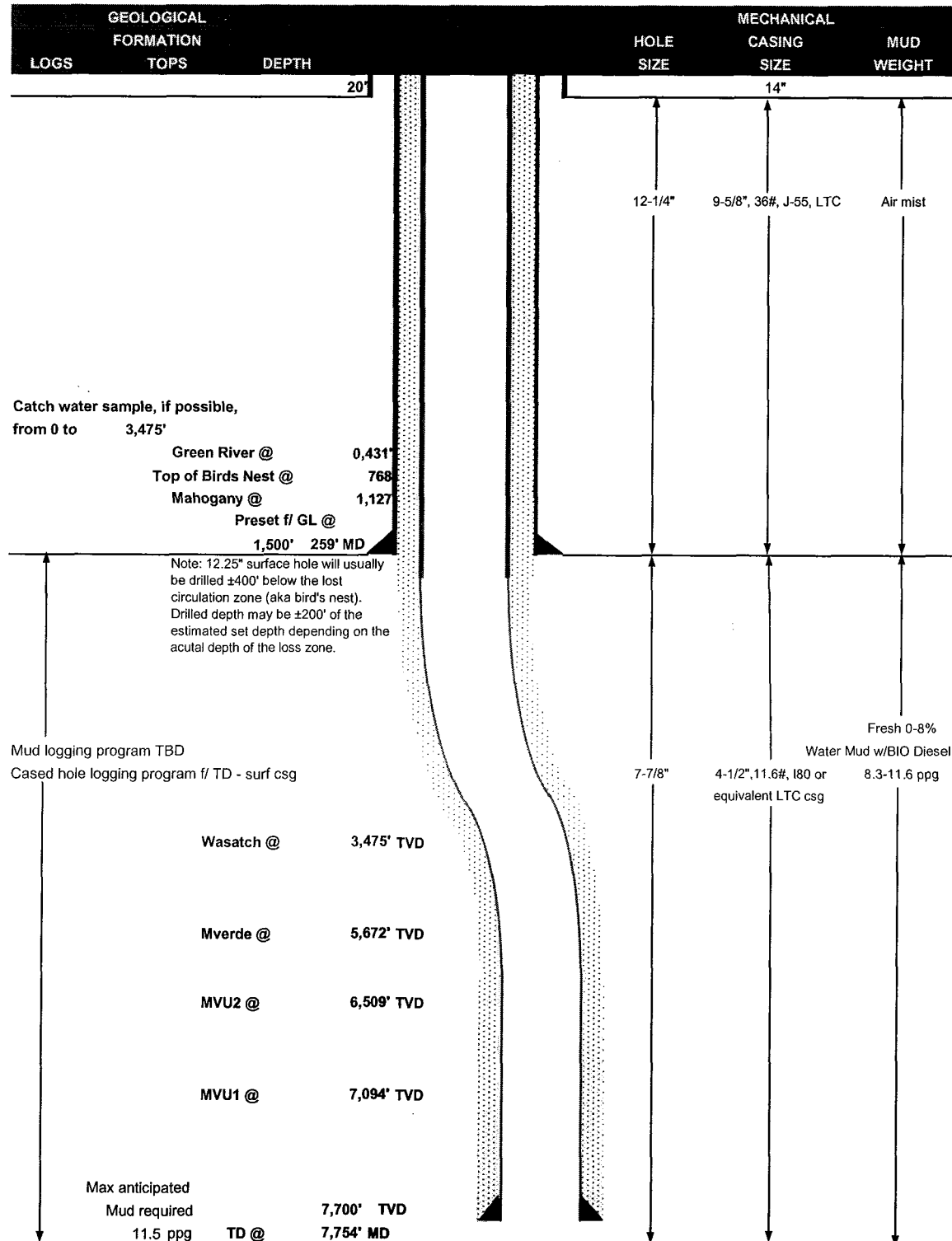
Date



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP	DATE	June 9, 2008
WELL NAME	NBU 1022-24G1S	TD	7,700' TVD 7,754' MD
FIELD	Natural Buttes	COUNTY	Utah
STATE	Utah	ELEVATION	4,893' GL KB 4,908'
SURFACE LOCATION	NWNE 1044' FNL & 1601' FEL, Sec. 24, T 10S R 22E		
	Latitude: 39.938819	Longitude: -109.383919	NAD 27
BTM HOLE LOCATION	SWNE 1515' FNL & 1580' FEL, Sec. 24, T 10S R 22E		
	Latitude: 39.937528	Longitude: -109.383844	NAD 27
OBJECTIVE ZONE(S)	Wasatch/Mesaverde		
ADDITIONAL INFO	Regulatory Agencies: UDOGM (MINERALS AND SURFACE), BLM, Tri-County Health Dept.		



CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3520	2020	453000
SURFACE	9-5/8"	0 to 1500	36.00	J-55	LTC	1.21	2.88	10.68
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 7700	11.60	I-80	LTC	2.67	1.38	2.58

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
- (Burst Assumptions: TD = 0.0 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
- MASP 3101 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	NOTE: If well will circulate water to surface, option 2 will be utilized						
	LEAD	1500	65/35 Poz + 6% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOW	360	35%	12.60	1.81
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	5,170'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	560	60%	11.00	3.38
	TAIL	2,530'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	710	60%	14.30	1.31

*Substitute caliper hole volume plus 15% excess if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

DATE:

DRILLING SUPERINTENDENT:

Randy Bayne

DATE:



Weatherford[®]

Drilling Services

Proposal



ANADARKO - KERR McGEE

NBU#1022-24G1S (1022-24B PAD)

UINTAH COUNTY, UTAH

WELL FILE: PLAN 1

JUNE 5, 2008

Weatherford International, Ltd.

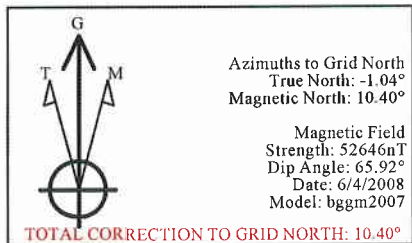
15710 John F. Kennedy Blvd

Houston, Texas 77032 USA

+1.281.260.1300 Main

+1.281.260.4730 Fax

www.weatherford.com



KB ELEV = 4911'
GR ELEV = 4891'

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	176.34	0.00	0.00	0.00	0.00	0.00	0.00	
2	1560.00	0.00	176.34	1560.00	0.00	0.00	0.00	0.00	0.00	
3	2046.99	14.61	176.34	2041.73	-61.63	3.94	3.00	176.34	61.75	
4	3298.12	14.61	176.34	3252.40	-376.56	24.09	0.00	0.00	377.33	
5	4028.60	0.00	176.34	3975.00	-469.00	30.00	2.00	180.00	469.96	
6	7753.60	0.00	176.34	7700.00	-469.00	30.00	0.00	0.00	469.96	PBHL-G1S

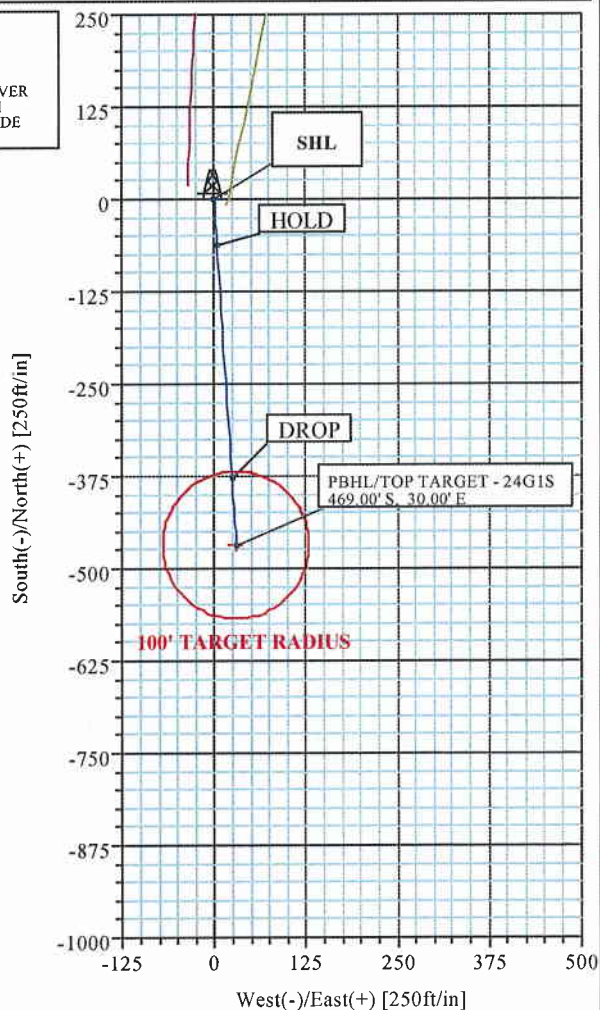
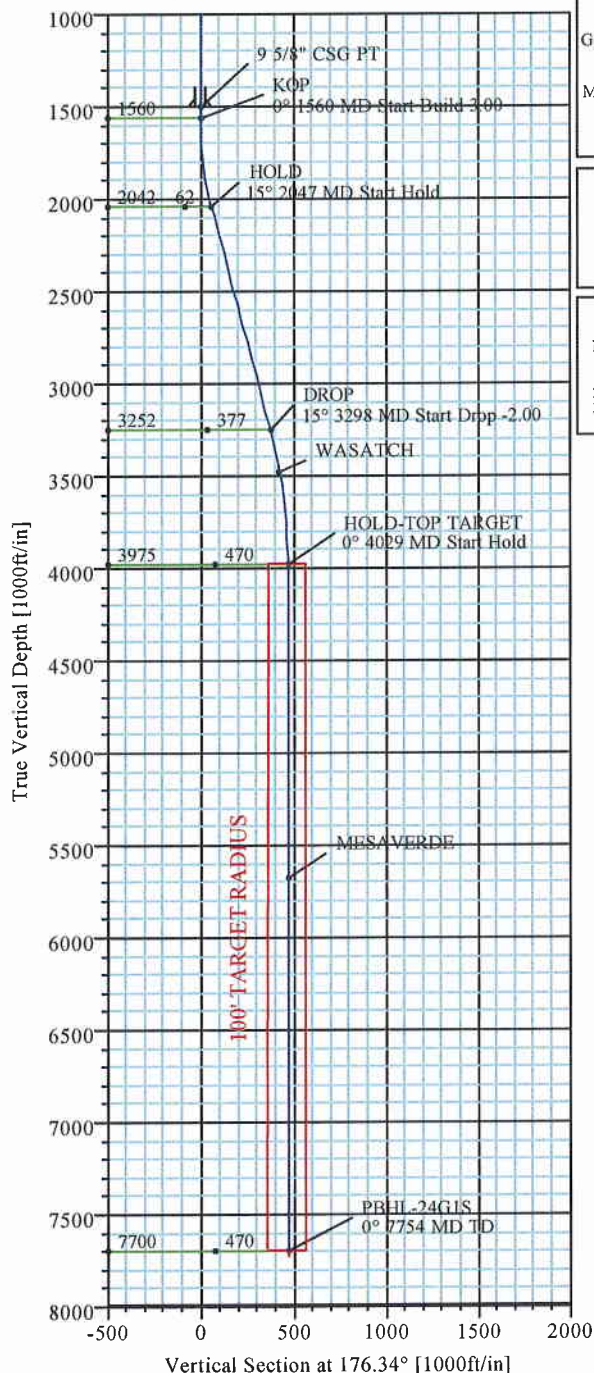
WELL DETAILS								
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot	
NBU 1022-24G1S	7.00	-18.00	14507868.00	2093428.00	39°56'19.744N	109°23'02.107W	N/A	

FIELD DETAILS
UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)
Geodetic System: Universal Transverse Mercator (USfeet)
Ellipsoid: NAD27 (Clarke 1866)
Zone: UTM Zone 12, North 114W to 108W
Magnetic Model: bggm2007
System Datum: Mean Sea Level
Local North: Grid North

SITE DETAILS
NBU 1022-24B PAD
SECT 24-T10S-R22E
Site Centre Northing: 14507861.00
Easting: 2093446.00
Ground Level: 4891.00
Positional Uncertainty: 0.00
Convergence: 1.04

TARGET DETAILS						
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL-G1S	7700.00	-469.00	30.00	14507399.00	2093458.00	Circle (Radius: 100)

FORMATION TOP DETAILS			
No.	TVDPath	MDPath	Formation
1	431.00	431.00	GREEN RIVER
2	3475.00	3526.03	WASATCH
3	5672.00	5725.60	MESAVERDE



Company: Anadarko-Kerr-McGee Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27) Site: NBU 1022-24B PAD Well: NBU 1022-24G1S Wellpath: 1	Date: 6/5/2008 Co-ordinate(NE) Reference: Well: NBU 1022-24G1S, Grid North Vertical (TVD) Reference: SITE 4911.0 Section (VS) Reference: Well (0.00N,0.00E,176.34Azi) Survey Calculation Method: Minimum Curvature Db: Sybase
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Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)

Map System: Universal Transverse Mercator (USfeet)
Geo Datum: NAD27 (Clarke 1866)
Sys Datum: Mean Sea Level

Map Zone: UTM Zone 12, North 114W to 108W
Coordinate System: Well Centre
Geomagnetic Model: bggm2007

Site: NBU 1022-24B PAD

SECT 24-T10S-R22E

Site Position:	Northing: 14507861.00 ft	Latitude: 39 56 19.672 N
From: Map	Easting: 2093446.00 ft	Longitude: 109 23 1.878 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 4891.00 ft		Grid Convergence: 1.04 deg

Well: NBU 1022-24G1S

Slot Name:

Well Position: +N/-S 7.00 ft	Northing: 14507868.00 ft	Latitude: 39 56 19.744 N
+E/-W -18.00 ft	Easting: 2093428.00 ft	Longitude: 109 23 2.107 W
Position Uncertainty: 0.00 ft		

Wellpath: 1

Current Datum: SITE	Height 4911.00 ft	Drilled From: Surface
Magnetic Data: 6/4/2008		Tie-on Depth: 0.00 ft
Field Strength: 52646 nT		Above System Datum: Mean Sea Level
Vertical Section: Depth From (TVD)		Declination: 11.43 deg
ft	+N/-S ft	Mag Dip Angle: 65.92 deg
0.00	0.00	+E/-W ft
		Direction deg
		176.34

Plan: Plan #1

Date Composed: 6/4/2008
Version: 1
Tied-to: From Surface

Principal: Yes

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	176.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1560.00	0.00	176.34	1560.00	0.00	0.00	0.00	0.00	0.00	0.00	
2046.99	14.61	176.34	2041.73	-61.63	3.94	3.00	3.00	0.00	176.34	
3298.12	14.61	176.34	3252.40	-376.56	24.09	0.00	0.00	0.00	0.00	
4028.60	0.00	176.34	3975.00	-469.00	30.00	2.00	-2.00	0.00	180.00	
7753.60	0.00	176.34	7700.00	-469.00	30.00	0.00	0.00	0.00	0.00	PBHL-G1S

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
1500.00	0.00	176.34	1500.00	0.00	0.00	0.00	0.00	14507868.00	2093428.00	9 5/8" CSG PT
1560.00	0.00	176.34	1560.00	0.00	0.00	0.00	0.00	14507868.00	2093428.00	KOP
1600.00	1.20	176.34	1600.00	-0.42	0.03	0.42	3.00	14507867.58	2093428.03	
1700.00	4.20	176.34	1699.87	-5.12	0.33	5.13	3.00	14507862.88	2093428.33	
1800.00	7.20	176.34	1799.37	-15.03	0.96	15.06	3.00	14507852.97	2093428.96	
1900.00	10.20	176.34	1898.21	-30.12	1.93	30.18	3.00	14507837.88	2093429.93	
2000.00	13.20	176.34	1996.12	-50.36	3.22	50.46	3.00	14507817.64	2093431.22	
2046.99	14.61	176.34	2041.73	-61.63	3.94	61.75	3.00	14507806.37	2093431.94	HOLD
2100.00	14.61	176.34	2093.03	-74.97	4.80	75.12	0.00	14507793.03	2093432.80	
2200.00	14.61	176.34	2189.79	-100.14	6.41	100.35	0.00	14507767.86	2093434.41	
2300.00	14.61	176.34	2286.56	-125.31	8.02	125.57	0.00	14507742.69	2093436.02	
2400.00	14.61	176.34	2383.33	-150.49	9.63	150.79	0.00	14507717.51	2093437.63	
2500.00	14.61	176.34	2480.09	-175.66	11.24	176.02	0.00	14507692.34	2093439.24	
2600.00	14.61	176.34	2576.86	-200.83	12.85	201.24	0.00	14507667.17	2093440.85	
2700.00	14.61	176.34	2673.63	-226.00	14.46	226.46	0.00	14507642.00	2093442.46	

Company: Anadarko-Kerr-McGee
Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)
Site: NBU 1022-24B PAD
Well: NBU 1022-24G1S
Wellpath: 1

Date: 6/5/2008 **Time:** 07:36:31 **Page:** 2
Co-ordinate(NE) Reference: Well: NBU 1022-24G1S, Grid North
Vertical (TVD) Reference: SITE 4911.0
Section (VS) Reference: Well (0.00N,0.00E,176.34Azi)
Survey Calculation Method: Minimum Curvature **Db:** Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
2800.00	14.61	176.34	2770.39	-251.17	16.07	251.69	0.00	14507616.83	2093444.07	
2900.00	14.61	176.34	2867.16	-276.35	17.68	276.91	0.00	14507591.65	2093445.68	
3000.00	14.61	176.34	2963.93	-301.52	19.29	302.13	0.00	14507566.48	2093447.29	
3100.00	14.61	176.34	3060.69	-326.69	20.90	327.36	0.00	14507541.31	2093448.90	
3200.00	14.61	176.34	3157.46	-351.86	22.51	352.58	0.00	14507516.14	2093450.51	
3298.12	14.61	176.34	3252.40	-376.56	24.09	377.33	0.00	14507491.44	2093452.09	DROP
3300.00	14.57	176.34	3254.23	-377.03	24.12	377.80	2.00	14507490.97	2093452.12	
3400.00	12.57	176.34	3351.43	-400.45	25.62	401.27	2.00	14507467.55	2093453.62	
3500.00	10.57	176.34	3449.39	-420.47	26.90	421.33	2.00	14507447.53	2093454.90	
3526.03	10.05	176.34	3475.00	-425.12	27.19	425.99	2.00	14507442.88	2093455.19	WASATCH
3600.00	8.57	176.34	3547.99	-437.06	27.96	437.96	2.00	14507430.94	2093455.96	
3700.00	6.57	176.34	3647.12	-450.21	28.80	451.13	2.00	14507417.79	2093456.80	
3800.00	4.57	176.34	3746.64	-459.90	29.42	460.84	2.00	14507408.10	2093457.42	
3900.00	2.57	176.34	3846.44	-466.12	29.82	467.07	2.00	14507401.88	2093457.82	
4000.00	0.57	176.34	3946.40	-468.86	29.99	469.82	2.00	14507399.14	2093457.99	
4028.60	0.00	176.34	3975.00	-469.00	30.00	469.96	2.00	14507399.00	2093458.00	HOLD-TOP TARGET
4100.00	0.00	176.34	4046.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
4200.00	0.00	176.34	4146.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
4300.00	0.00	176.34	4246.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
4400.00	0.00	176.34	4346.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
4500.00	0.00	176.34	4446.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
4600.00	0.00	176.34	4546.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
4700.00	0.00	176.34	4646.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
4800.00	0.00	176.34	4746.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
4900.00	0.00	176.34	4846.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5000.00	0.00	176.34	4946.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5100.00	0.00	176.34	5046.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5200.00	0.00	176.34	5146.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5300.00	0.00	176.34	5246.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5400.00	0.00	176.34	5346.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5500.00	0.00	176.34	5446.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5600.00	0.00	176.34	5546.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5700.00	0.00	176.34	5646.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5725.60	0.00	176.34	5672.00	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	MESAVERDE
5800.00	0.00	176.34	5746.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
5900.00	0.00	176.34	5846.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6000.00	0.00	176.34	5946.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6100.00	0.00	176.34	6046.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6200.00	0.00	176.34	6146.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6300.00	0.00	176.34	6246.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6400.00	0.00	176.34	6346.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6500.00	0.00	176.34	6446.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6600.00	0.00	176.34	6546.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6700.00	0.00	176.34	6646.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6800.00	0.00	176.34	6746.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
6900.00	0.00	176.34	6846.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
7000.00	0.00	176.34	6946.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
7100.00	0.00	176.34	7046.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
7200.00	0.00	176.34	7146.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
7300.00	0.00	176.34	7246.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
7400.00	0.00	176.34	7346.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
7500.00	0.00	176.34	7446.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
7600.00	0.00	176.34	7546.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	



Company: Anadarko-Kerr-McGee	Date: 6/5/2008	Time: 07:36:31	Page: 3
Field: UTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)	Co-ordinate(NE) Reference:	Well: NBU 1022-24G1S, Grid North	
Site: NBU 1022-24B PAD	Vertical (TVD) Reference:	SITE 4911.0	
Well: NBU 1022-24G1S	Section (VS) Reference:	Well (0.00N,0.00E,176.34Azi)	
Wellpath: 1	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
7700.00	0.00	176.34	7646.40	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	
7753.60	0.00	176.34	7700.00	-469.00	30.00	469.96	0.00	14507399.00	2093458.00	PBHL-G1S

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec			<--- Longitude ---> Deg Min Sec				
PBHL-G1S			7700.00	-469.00	30.00	14507399.00	2093458.00	39	56	15.104	N	109	23	1.831	W
-Circle (Radius: 100)															
-Plan hit target															

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
1500.00	1500.00	9.625	12.250	9 5/8" CSG PT

Annotation

MD ft	TVD ft	
1560.00	1560.00	KOP
2046.99	2041.73	HOLD
3298.12	3252.41	DROP
4028.60	3975.00	HOLD-TOP TARGET
7753.60	7700.00	PBHL-24G1S

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
431.00	431.00	GREEN RIVER		0.00	0.00
3526.03	3475.00	WASATCH		0.00	0.00
5725.60	5672.00	MESAVERDE		0.00	0.00

Company: Anadarko-Kerr-McGee Date: 6/5/2008 Time: 08:37:11 Page: 1
Field: UTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)
Reference Site: NBU 1022-24B PAD Co-ordinate(NE) Reference: Well: NBU 1022-24G1S, Grid North
Reference Well: NBU 1022-24G1S Vertical (TVD) Reference: SITE 4911.0
Reference Wellpath: 1 Db: Sybase

NO GLOBAL SCAN: Using user defined selection & scan criteria
Interpolation Method: TVD Interval: 100.00 ft
Depth Range: 0.00 to 7753.60 ft
Maximum Radius: 10000.00 ft

Reference: Plan: Plan #1
Error Model: ISCWSA Ellipse
Scan Method: Closest Approach 3D
Error Surface: Ellipse

Plan: Plan #1

Date Composed: 6/4/2008

Principal: Yes

Version: 1

Tied-to: From Surface

Summary

Site	Offset Wellpath	Wellpath	Reference MD ft	Offset MD ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
NBU 1022-24B PAD	NBU 1022-24B1AS	1 V0 Plan: Plan #1 V1	1700.13	1699.62	18.99	12.12	2.76	
NBU 1022-24B PAD	NBU 1022-24B1DS	1 V0 Plan: Plan #1 V1	1600.00	1599.64	40.64	34.19	6.30	
NBU 921-25E2DS	NBU 921-25E2DS	1 V0 Plan: Plan #1 V1						Out of range

Site: NBU 1022-24B PAD
Well: NBU 1022-24B1AS
Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD ft	TVD ft	Offset MD ft	TVD ft	Semi-Major Axis Ref ft	Offset ft	TFO-HS deg	Offset Location North ft	East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
0.00	0.00	0.00	0.00	0.00	0.00	111.25	-7.00	18.00	19.31			No Data
100.00	100.00	100.00	100.00	0.08	0.08	111.25	-7.00	18.00	19.31	19.15	115.27	
200.00	200.00	200.00	200.00	0.29	0.29	111.25	-7.00	18.00	19.31	18.73	32.93	
300.00	300.00	300.00	300.00	0.50	0.50	111.25	-7.00	18.00	19.31	18.31	19.21	
400.00	400.00	400.00	400.00	0.71	0.71	111.25	-7.00	18.00	19.31	17.89	13.56	
500.00	500.00	500.00	500.00	0.92	0.92	111.25	-7.00	18.00	19.31	17.47	10.48	
600.00	600.00	600.00	600.00	1.13	1.13	111.25	-7.00	18.00	19.31	17.05	8.54	
700.00	700.00	700.00	700.00	1.34	1.34	111.25	-7.00	18.00	19.31	16.63	7.20	
800.00	800.00	800.00	800.00	1.55	1.55	111.25	-7.00	18.00	19.31	16.21	6.23	
900.00	900.00	900.00	900.00	1.76	1.76	111.25	-7.00	18.00	19.31	15.79	5.49	
1000.00	1000.00	1000.00	1000.00	1.97	1.97	111.25	-7.00	18.00	19.31	15.38	4.90	
1100.00	1100.00	1100.00	1100.00	2.18	2.18	111.25	-7.00	18.00	19.31	14.96	4.43	
1200.00	1200.00	1200.00	1200.00	2.39	2.39	111.25	-7.00	18.00	19.31	14.54	4.04	
1300.00	1300.00	1300.00	1300.00	2.60	2.60	111.25	-7.00	18.00	19.31	14.12	3.72	
1400.00	1400.00	1400.00	1400.00	2.81	2.81	111.25	-7.00	18.00	19.31	13.70	3.44	
1500.00	1500.00	1500.00	1500.00	3.02	3.02	111.25	-7.00	18.00	19.31	13.28	3.20	
1600.00	1600.00	1600.05	1600.05	3.23	3.23	292.52	-6.59	18.09	19.09	12.63	2.96	
1700.13	1700.00	1699.62	1699.49	3.44	3.44	264.33	-2.01	19.05	18.99	12.12	2.76	
1800.64	1800.00	1797.34	1796.73	3.66	3.66	226.17	7.41	21.04	30.35	23.08	4.18	
1901.82	1900.00	1892.00	1890.33	3.90	3.87	207.95	21.16	23.94	56.93	49.30	7.46	
2003.99	2000.00	1982.54	1979.10	4.18	4.12	200.36	38.55	27.61	95.37	87.39	11.94	
2107.21	2100.00	2068.30	2062.32	4.52	4.39	196.54	58.79	31.89	143.28	134.92	17.14	
2210.55	2200.00	2149.84	2140.51	4.89	4.69	194.55	81.41	36.66	195.90	187.15	22.38	
2313.89	2300.00	2227.29	2213.80	5.29	5.02	193.45	105.91	41.83	252.29	243.15	27.60	
2417.23	2400.00	2300.71	2282.28	5.71	5.38	192.80	131.79	47.29	312.09	302.56	32.74	
2520.57	2500.00	2370.20	2346.12	6.15	5.77	192.40	158.64	52.96	375.02	365.09	37.78	
2623.91	2600.00	2436.42	2405.98	6.60	6.18	192.15	186.33	58.80	440.80	430.48	42.71	
2727.26	2700.00	2515.04	2476.52	7.07	6.70	191.93	220.30	65.97	507.85	497.03	46.93	
2830.60	2800.00	2593.67	2547.07	7.54	7.25	191.77	254.28	73.14	574.90	563.57	50.74	
2933.94	2900.00	2672.30	2617.61	8.01	7.82	191.64	288.26	80.32	641.95	630.11	54.18	
3037.28	3000.00	2750.93	2688.15	8.50	8.40	191.53	322.24	87.49	709.01	696.64	57.31	
3140.62	3100.00	2829.55	2758.69	8.99	8.99	191.45	356.22	94.66	776.06	763.16	60.15	
3243.96	3200.00	2908.18	2829.24	9.48	9.59	191.38	390.20	101.83	843.12	829.68	62.75	
3347.20	3300.00	2986.99	2899.94	9.80	10.20	191.16	424.26	109.02	909.79	895.99	65.93	
3449.67	3400.00	3067.20	2971.90	9.89	10.83	190.85	458.92	116.33	973.57	959.60	69.73	
3551.40	3500.00	3148.98	3045.28	9.96	11.48	190.61	494.27	123.79	1034.05	1019.93	73.24	

Company: Anadarko-Kerr-McGee Date: 6/5/2008 Time: 08:37:11 Page: 2
Field: UTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)
Reference Site: NBU 1022-24B PAD Co-ordinate(NE) Reference: Well: NBU 1022-24G1S, Grid North
Reference Well: NBU 1022-24G1S Vertical (TVD) Reference: SITE 4911.0
Reference Wellpath: 1 Db: Sybase

Site: NBU 1022-24B PAD
Well: NBU 1022-24B1AS
Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD ft	Reference TVD ft	Offset MD ft	Offset TVD ft	Semi-Major Axis Ref ft	Semi-Major Axis Offset ft	TFO-HS deg	Offset Location North ft	Offset Location East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
3652.52	3600.00	3232.32	3120.04	10.01	12.14	190.44	530.28	131.39	1091.31	1077.04	76.48	
3753.18	3700.00	3317.18	3196.18	10.03	12.82	190.33	566.95	139.13	1145.40	1130.99	79.47	
3853.49	3800.00	3403.54	3273.66	10.00	13.52	190.25	604.27	147.01	1196.37	1181.82	82.24	
3953.60	3900.00	3491.40	3352.48	9.94	14.23	190.22	642.24	155.02	1244.23	1229.56	84.81	
4053.60	4000.00	3620.27	3468.57	9.88	15.09	6.68	696.98	166.57	1288.63	1273.86	87.23	
4153.60	4100.00	3835.55	3668.45	9.94	15.92	7.01	775.02	183.04	1325.61	1310.66	88.68	
4253.60	4200.00	4065.73	3889.41	10.05	16.61	7.25	837.77	196.29	1353.43	1338.35	89.77	
4353.60	4300.00	4307.35	4127.04	10.17	17.05	7.40	879.98	205.20	1371.26	1356.23	91.25	
4453.60	4400.00	4555.63	4374.54	10.29	17.15	7.46	897.62	208.92	1378.51	1363.75	93.40	
4553.60	4500.00	4681.09	4500.00	10.41	17.19	7.46	898.00	209.00	1378.67	1363.56	91.22	
4653.60	4600.00	4781.09	4600.00	10.54	17.25	7.46	898.00	209.00	1378.67	1363.24	89.33	
4753.60	4700.00	4881.09	4700.00	10.67	17.32	7.46	898.00	209.00	1378.67	1362.91	87.50	
4853.60	4800.00	4981.09	4800.00	10.80	17.39	7.46	898.00	209.00	1378.67	1362.59	85.72	
4953.60	4900.00	5081.09	4900.00	10.93	17.47	7.46	898.00	209.00	1378.67	1362.26	83.99	
5053.60	5000.00	5181.09	5000.00	11.07	17.54	7.46	898.00	209.00	1378.67	1361.92	82.31	
5153.60	5100.00	5281.09	5100.00	11.21	17.62	7.46	898.00	209.00	1378.67	1361.58	80.68	
5253.60	5200.00	5381.09	5200.00	11.35	17.70	7.46	898.00	209.00	1378.67	1361.24	79.10	
5353.60	5300.00	5481.09	5300.00	11.49	17.78	7.46	898.00	209.00	1378.67	1360.89	77.56	
5453.60	5400.00	5581.09	5400.00	11.64	17.87	7.46	898.00	209.00	1378.67	1360.55	76.07	
5553.60	5500.00	5681.09	5500.00	11.78	17.95	7.46	898.00	209.00	1378.67	1360.20	74.63	
5653.60	5600.00	5781.09	5600.00	11.93	18.04	7.46	898.00	209.00	1378.67	1359.84	73.23	
5753.60	5700.00	5881.09	5700.00	12.08	18.13	7.46	898.00	209.00	1378.67	1359.49	71.87	
5853.60	5800.00	5981.09	5800.00	12.23	18.22	7.46	898.00	209.00	1378.67	1359.13	70.55	
5953.60	5900.00	6081.09	5900.00	12.39	18.32	7.46	898.00	209.00	1378.67	1358.77	69.27	
6053.60	6000.00	6181.09	6000.00	12.54	18.41	7.46	898.00	209.00	1378.67	1358.40	68.03	
6153.60	6100.00	6281.09	6100.00	12.70	18.51	7.46	898.00	209.00	1378.67	1358.04	66.83	
6253.60	6200.00	6381.09	6200.00	12.86	18.61	7.46	898.00	209.00	1378.67	1357.67	65.66	
6353.60	6300.00	6481.09	6300.00	13.02	18.71	7.46	898.00	209.00	1378.67	1357.30	64.53	
6453.60	6400.00	6581.09	6400.00	13.18	18.82	7.46	898.00	209.00	1378.67	1356.93	63.43	
6553.60	6500.00	6681.09	6500.00	13.34	18.92	7.46	898.00	209.00	1378.67	1356.56	62.36	
6653.60	6600.00	6781.09	6600.00	13.51	19.03	7.46	898.00	209.00	1378.67	1356.19	61.32	
6753.60	6700.00	6881.09	6700.00	13.67	19.14	7.46	898.00	209.00	1378.67	1355.81	60.32	
6853.60	6800.00	6981.09	6800.00	13.84	19.25	7.46	898.00	209.00	1378.67	1355.44	59.34	
6953.60	6900.00	7081.09	6900.00	14.00	19.36	7.46	898.00	209.00	1378.67	1355.06	58.39	
7053.60	7000.00	7181.09	7000.00	14.17	19.47	7.46	898.00	209.00	1378.67	1354.68	57.47	
7153.60	7100.00	7281.09	7100.00	14.34	19.59	7.46	898.00	209.00	1378.67	1354.30	56.57	
7253.60	7200.00	7381.09	7200.00	14.51	19.70	7.46	898.00	209.00	1378.67	1353.92	55.70	
7353.60	7300.00	7481.09	7300.00	14.68	19.82	7.46	898.00	209.00	1378.67	1353.53	54.85	
7453.60	7400.00	7581.09	7400.00	14.86	19.94	7.46	898.00	209.00	1378.67	1353.15	54.02	
7553.60	7500.00	7681.09	7500.00	15.03	20.06	7.46	898.00	209.00	1378.67	1352.76	53.22	
7653.60	7600.00	7781.09	7600.00	15.21	20.19	7.46	898.00	209.00	1378.67	1352.38	52.44	
7753.60	7700.00	7881.09	7700.00	15.38	20.31	7.46	898.00	209.00	1378.67	1351.99	51.68	

Site: NBU 1022-24B PAD
Well: NBU 1022-24B1DS
Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD ft	Reference TVD ft	Offset MD ft	Offset TVD ft	Semi-Major Axis Ref ft	Semi-Major Axis Offset ft	TFO-HS deg	Offset Location North ft	Offset Location East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
0.00	0.00	0.00	0.00	0.00	0.00	296.57	18.00	-36.00	40.25			No Data
100.00	100.00	100.00	100.00	0.08	0.08	296.57	18.00	-36.00	40.25	40.08	240.22	
200.00	200.00	200.00	200.00	0.29	0.29	296.57	18.00	-36.00	40.25	39.66	68.63	

Company: Anadarko-Kerr-McGee	Date: 6/5/2008	Time: 08:37:11	Page: 3
Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)			
Reference Site: NBU 1022-24B PAD	Co-ordinate(NE) Reference:	Well: NBU 1022-24G1S, Grid North	
Reference Well: NBU 1022-24G1S	Vertical (TVD) Reference:	SITE 4911.0	
Reference Wellpath: 1	Db: Sybase		

Site: NBU 1022-24B PAD
 Well: NBU 1022-24B1DS
 Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference MD ft	Reference TVD ft	Offset MD ft	Offset TVD ft	Semi-Major Axis Ref ft	Semi-Major Axis Offset ft	Semi-Major Axis TFO-HS deg	Offset Location North ft	Offset Location East ft	Ctr-Ctr Distance ft	Edge Distance ft	Separation Factor	Warning
300.00	300.00	300.00	300.00	0.50	0.50	296.57	18.00	-36.00	40.25	39.24	40.04	
400.00	400.00	400.00	400.00	0.71	0.71	296.57	18.00	-36.00	40.25	38.83	28.26	
500.00	500.00	500.00	500.00	0.92	0.92	296.57	18.00	-36.00	40.25	38.41	21.84	
600.00	600.00	600.00	600.00	1.13	1.13	296.57	18.00	-36.00	40.25	37.99	17.79	
700.00	700.00	700.00	700.00	1.34	1.34	296.57	18.00	-36.00	40.25	37.57	15.01	
800.00	800.00	800.00	800.00	1.55	1.55	296.57	18.00	-36.00	40.25	37.15	12.98	
900.00	900.00	900.00	900.00	1.76	1.76	296.57	18.00	-36.00	40.25	36.73	11.44	
1000.00	1000.00	1000.00	1000.00	1.97	1.97	296.57	18.00	-36.00	40.25	36.31	10.22	
1100.00	1100.00	1100.00	1100.00	2.18	2.18	296.57	18.00	-36.00	40.25	35.89	9.24	
1200.00	1200.00	1200.00	1200.00	2.39	2.39	296.57	18.00	-36.00	40.25	35.47	8.43	
1300.00	1300.00	1300.00	1300.00	2.60	2.60	296.57	18.00	-36.00	40.25	35.06	7.75	
1400.00	1400.00	1400.00	1400.00	2.81	2.81	296.57	18.00	-36.00	40.25	34.64	7.17	
1500.00	1500.00	1500.00	1500.00	3.02	3.02	296.57	18.00	-36.00	40.25	34.22	6.67	
1600.00	1600.00	1599.64	1599.64	3.23	3.22	121.25	18.41	-35.98	40.64	34.19	6.30	
1700.13	1700.00	1698.20	1698.08	3.44	3.43	131.37	22.99	-35.77	45.80	38.94	6.67	
1800.64	1800.00	1794.93	1794.33	3.66	3.64	145.68	32.42	-35.35	60.08	52.82	8.27	
1901.82	1900.00	1888.61	1886.99	3.90	3.87	157.15	46.17	-34.72	85.93	78.30	11.26	
2003.99	2000.00	1978.18	1974.85	4.18	4.11	164.57	63.55	-33.94	123.30	115.31	15.44	
2107.21	2100.00	2063.32	2057.52	4.52	4.37	169.35	83.87	-33.02	170.45	162.09	20.40	
2210.55	2200.00	2153.23	2144.37	4.89	4.69	172.52	107.08	-31.97	220.52	211.72	25.05	
2313.89	2300.00	2243.13	2231.22	5.29	5.03	174.53	130.30	-30.92	270.92	261.67	29.28	
2417.23	2400.00	2333.04	2318.07	5.71	5.38	175.91	153.51	-29.87	321.50	311.79	33.09	
2520.57	2500.00	2422.94	2404.92	6.15	5.76	176.91	176.72	-28.82	372.18	362.00	36.54	
2623.91	2600.00	2512.85	2491.77	6.60	6.15	177.67	199.94	-27.76	422.93	412.27	39.67	
2727.26	2700.00	2602.75	2578.62	7.07	6.54	178.28	223.15	-26.71	473.72	462.58	42.51	
2830.60	2800.00	2692.66	2665.47	7.54	6.95	178.76	246.36	-25.66	524.55	512.92	45.10	
2933.94	2900.00	2782.56	2752.32	8.01	7.37	179.16	269.58	-24.61	575.39	563.27	47.48	
3037.28	3000.00	2872.47	2839.17	8.50	7.79	179.49	292.79	-23.56	626.26	613.64	49.65	
3140.62	3100.00	2962.37	2926.02	8.99	8.21	179.78	316.00	-22.51	677.14	664.03	51.65	
3243.96	3200.00	3052.28	3012.87	9.48	8.64	180.02	339.22	-21.46	728.03	714.42	53.49	
3347.20	3300.00	3142.29	3099.83	9.80	9.08	180.23	362.46	-20.41	778.50	764.57	55.86	
3449.67	3400.00	3233.15	3187.60	9.89	9.52	180.41	385.92	-19.35	825.83	811.77	58.73	
3551.40	3500.00	3329.78	3280.95	9.96	9.96	180.58	410.83	-18.22	869.54	855.37	61.40	
3652.52	3600.00	3465.59	3413.11	10.01	10.23	180.77	442.04	-16.80	907.06	893.04	64.71	
3753.18	3700.00	3607.21	3552.33	10.03	10.34	180.90	467.89	-15.63	936.49	922.79	68.39	
3853.49	3800.00	3753.42	3697.22	10.00	10.38	180.99	487.33	-14.75	957.56	944.24	71.93	
3953.60	3900.00	3902.78	3846.07	9.94	10.36	181.05	499.54	-14.20	970.06	957.19	75.32	
4053.60	4000.00	4053.73	3996.93	9.88	10.24	357.41	503.99	-14.00	973.98	961.54	78.27	
4153.60	4100.00	4156.80	4100.00	9.94	10.30	357.41	504.00	-14.00	973.99	961.40	77.36	
4253.60	4200.00	4256.80	4200.00	10.05	10.41	357.41	504.00	-14.00	973.99	961.04	75.21	
4353.60	4300.00	4356.80	4300.00	10.17	10.53	357.41	504.00	-14.00	973.99	960.68	73.16	
4453.60	4400.00	4456.80	4400.00	10.29	10.65	357.41	504.00	-14.00	973.99	960.32	71.21	
4553.60	4500.00	4556.80	4500.00	10.41	10.77	357.41	504.00	-14.00	973.99	959.95	69.34	
4653.60	4600.00	4656.80	4600.00	10.54	10.90	357.41	504.00	-14.00	973.99	959.58	67.55	
4753.60	4700.00	4756.80	4700.00	10.67	11.03	357.41	504.00	-14.00	973.99	959.20	65.84	
4853.60	4800.00	4856.80	4800.00	10.80	11.16	357.41	504.00	-14.00	973.99	958.82	64.21	
4953.60	4900.00	4956.80	4900.00	10.93	11.29	357.41	504.00	-14.00	973.99	958.45	62.64	
5053.60	5000.00	5056.80	5000.00	11.07	11.42	357.41	504.00	-14.00	973.99	958.06	61.14	
5153.60	5100.00	5156.80	5100.00	11.21	11.56	357.41	504.00	-14.00	973.99	957.68	59.71	
5253.60	5200.00	5256.80	5200.00	11.35	11.70	357.41	504.00	-14.00	973.99	957.30	58.34	
5353.60	5300.00	5356.80	5300.00	11.49	11.84	357.41	504.00	-14.00	973.99	956.91	57.02	



Company: Anadarko-Kerr-McGee **Date:** 6/5/2008 **Time:** 08:37:11 **Page:** 4
Field: UINTAH COUNTY, UTAH (UTM Zone 12N-NAD 27)
Reference Site: NBU 1022-24B PAD **Co-ordinate(NE) Reference:** Well: NBU 1022-24G1S, Grid North
Reference Well: NBU 1022-24G1S **Vertical (TVD) Reference:** SITE 4911.0
Reference Wellpath: 1 **Db:** Sybase

Site: NBU 1022-24B PAD
Well: NBU 1022-24B1DS
Wellpath: 1 V0 Plan: Plan #1 V1

Inter-Site Error: 0.00 ft

Reference		Offset		Semi-Major Axis			Offset Location		Ctr-Ctr Distance	Edge Distance	Separation Factor	Warning
MD	TVD	MD	TVD	Ref	Offset	TFO-HS	North	East				
ft	ft	ft	ft	ft	ft	deg	ft	ft	ft	ft		
5453.60	5400.00	5456.80	5400.00	11.64	11.99	357.41	504.00	-14.00	973.99	956.52	55.75	
5553.60	5500.00	5556.80	5500.00	11.78	12.13	357.41	504.00	-14.00	973.99	956.14	54.54	
5653.60	5600.00	5656.80	5600.00	11.93	12.28	357.41	504.00	-14.00	973.99	955.75	53.37	
5753.60	5700.00	5756.80	5700.00	12.08	12.43	357.41	504.00	-14.00	973.99	955.35	52.25	
5853.60	5800.00	5856.80	5800.00	12.23	12.58	357.41	504.00	-14.00	973.99	954.96	51.17	
5953.60	5900.00	5956.80	5900.00	12.39	12.73	357.41	504.00	-14.00	973.99	954.57	50.14	
6053.60	6000.00	6056.80	6000.00	12.54	12.88	357.41	504.00	-14.00	973.99	954.17	49.14	
6153.60	6100.00	6156.80	6100.00	12.70	13.04	357.41	504.00	-14.00	973.99	953.78	48.18	
6253.60	6200.00	6256.80	6200.00	12.86	13.20	357.41	504.00	-14.00	973.99	953.38	47.25	
6353.60	6300.00	6356.80	6300.00	13.02	13.36	357.41	504.00	-14.00	973.99	952.98	46.36	
6453.60	6400.00	6456.80	6400.00	13.18	13.52	357.41	504.00	-14.00	973.99	952.58	45.49	
6553.60	6500.00	6556.80	6500.00	13.34	13.68	357.41	504.00	-14.00	973.99	952.19	44.66	
6653.60	6600.00	6656.80	6600.00	13.51	13.84	357.41	504.00	-14.00	973.99	951.79	43.86	
6753.60	6700.00	6756.80	6700.00	13.67	14.00	357.41	504.00	-14.00	973.99	951.39	43.08	
6853.60	6800.00	6856.80	6800.00	13.84	14.17	357.41	504.00	-14.00	973.99	950.98	42.33	
6953.60	6900.00	6956.80	6900.00	14.00	14.33	357.41	504.00	-14.00	973.99	950.58	41.60	
7053.60	7000.00	7056.80	7000.00	14.17	14.50	357.41	504.00	-14.00	973.99	950.18	40.90	
7153.60	7100.00	7156.80	7100.00	14.34	14.67	357.41	504.00	-14.00	973.99	949.78	40.22	
7253.60	7200.00	7256.80	7200.00	14.51	14.84	357.41	504.00	-14.00	973.99	949.37	39.56	
7353.60	7300.00	7356.80	7300.00	14.68	15.01	357.41	504.00	-14.00	973.99	948.97	38.92	
7453.60	7400.00	7456.80	7400.00	14.86	15.18	357.41	504.00	-14.00	973.99	948.56	38.30	
7553.60	7500.00	7556.80	7500.00	15.03	15.35	357.41	504.00	-14.00	973.99	948.16	37.70	
7653.60	7600.00	7656.80	7600.00	15.21	15.53	357.41	504.00	-14.00	973.99	947.75	37.12	
7753.60	7700.00	7756.80	7700.00	15.38	15.70	357.41	504.00	-14.00	973.99	947.35	36.55	

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24B, #1022-24B1DS, #1022-24G1S & #1022-24B1AS
SECTION 24, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE EXISTING #2D-36 AND THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 67.8 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24B, #1022-24B1DS, #1022-24G1S & #1022-24B1AS

LOCATED IN UTAH COUNTY, UTAH

SECTION 24, T10S, R22E, S.L.B.&M.

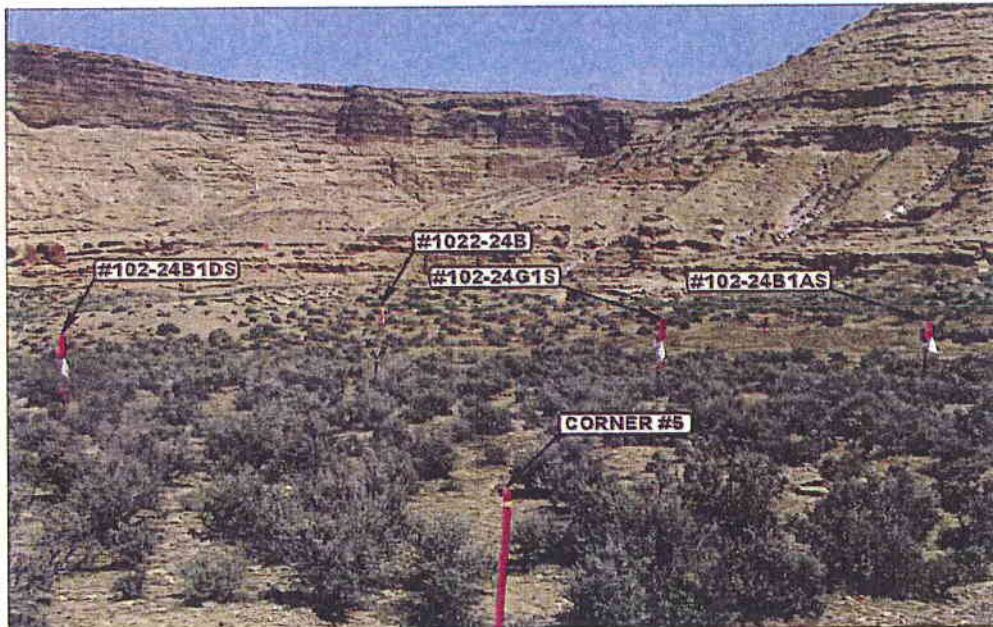


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

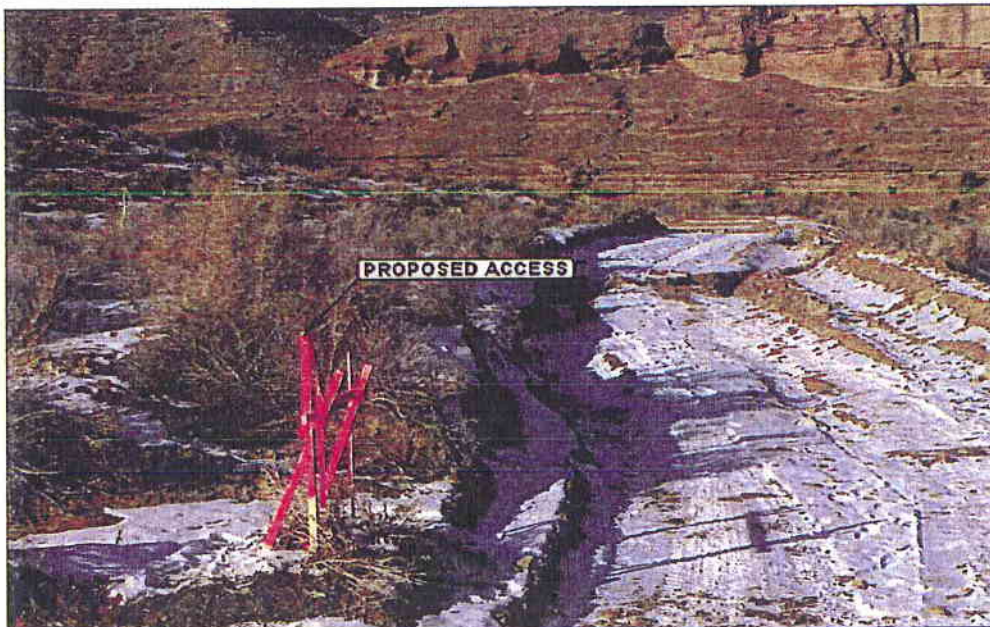


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

02 05 04
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K. DRAWN BY: P.M. REV: 05-06-08 Z.L.

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-24B, #1022-24B1DS, #1022-24G1S & #1022-24B1AS
PIPELINE ALIGNMENT
LOCATED IN UINTAH COUNTY, UTAH
SECTION 24, T10S, R22E, S.L.B.&M.



PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: WESTERLY



UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

12 28 06
 MONTH DAY YEAR

PHOTO

TAKEN BY: D.K. DRAWN BY: B.C. REV: 05-06-08 Z.L.

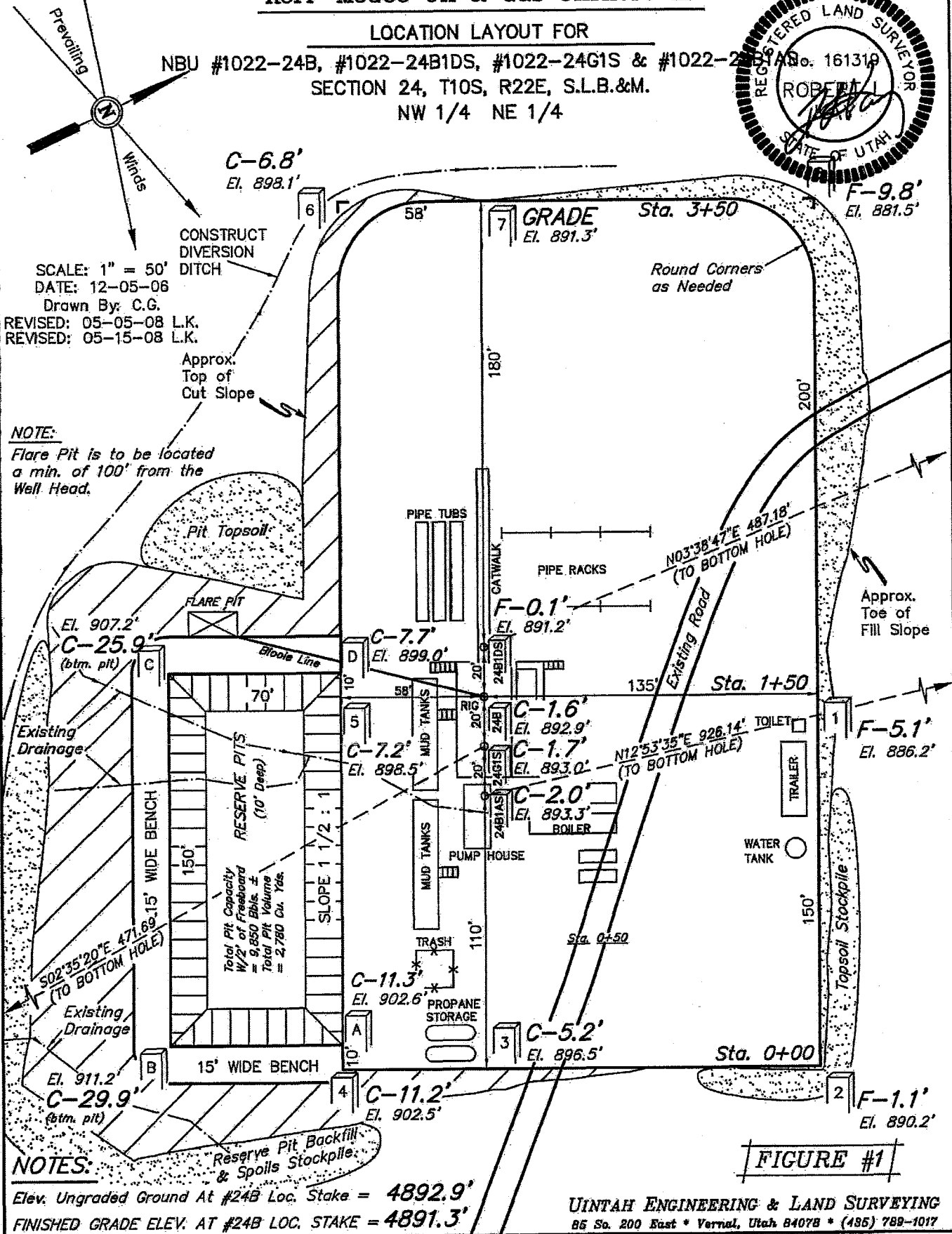
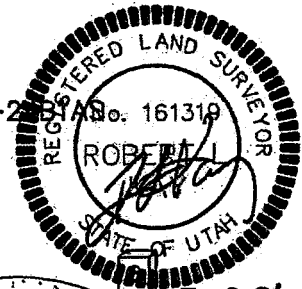
Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

NBU #1022-24B, #1022-24B1DS, #1022-24G1S & #1022-24G1S

SECTION 24, T10S, R22E, S.L.B.&M.

NW 1/4 NE 1/4



Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

NBU #1022-24B, #1022-24B1DS, #1022-24G1S & #1022-24B

SECTION 24, T10S, R22E, S.L.B.&M.

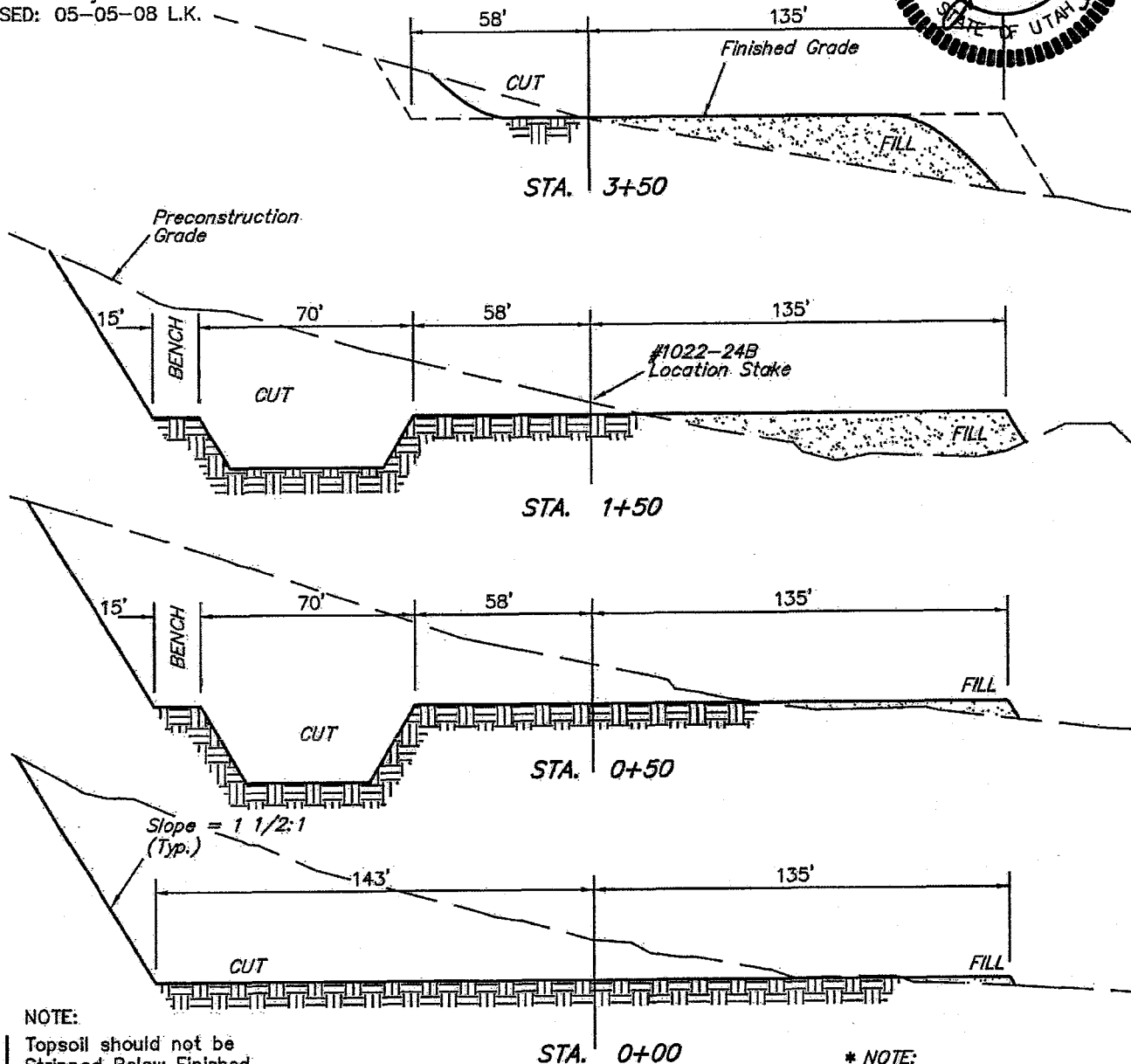
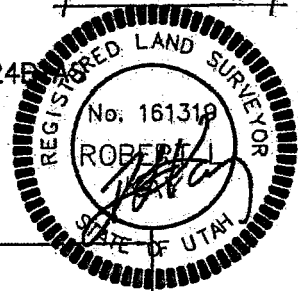
NW 1/4 NE 1/4

1" = 20'
X-Section
Scale
1" = 50'

DATE: 12-05-06

Drawn By: C.G.

REVISED: 05-05-08 L.K.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,990 Cu. Yds.
Remaining Location = 17,990 Cu. Yds.

TOTAL CUT = 19,980 CU.YDS.
FILL = 9,110 CU.YDS.

EXCESS MATERIAL = 10,870 Cu. Yds.
Topsoil & Pit Backfill = 3,380 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 7,490 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
86 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

● PROPOSED LOCATION

N

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24B, #1022-24B1DS,
#1022-24G1S & #1022-24B1AS
SECTION 24, T10S, R22E, S.L.B.&M.
NW 1/4 NE 1/4



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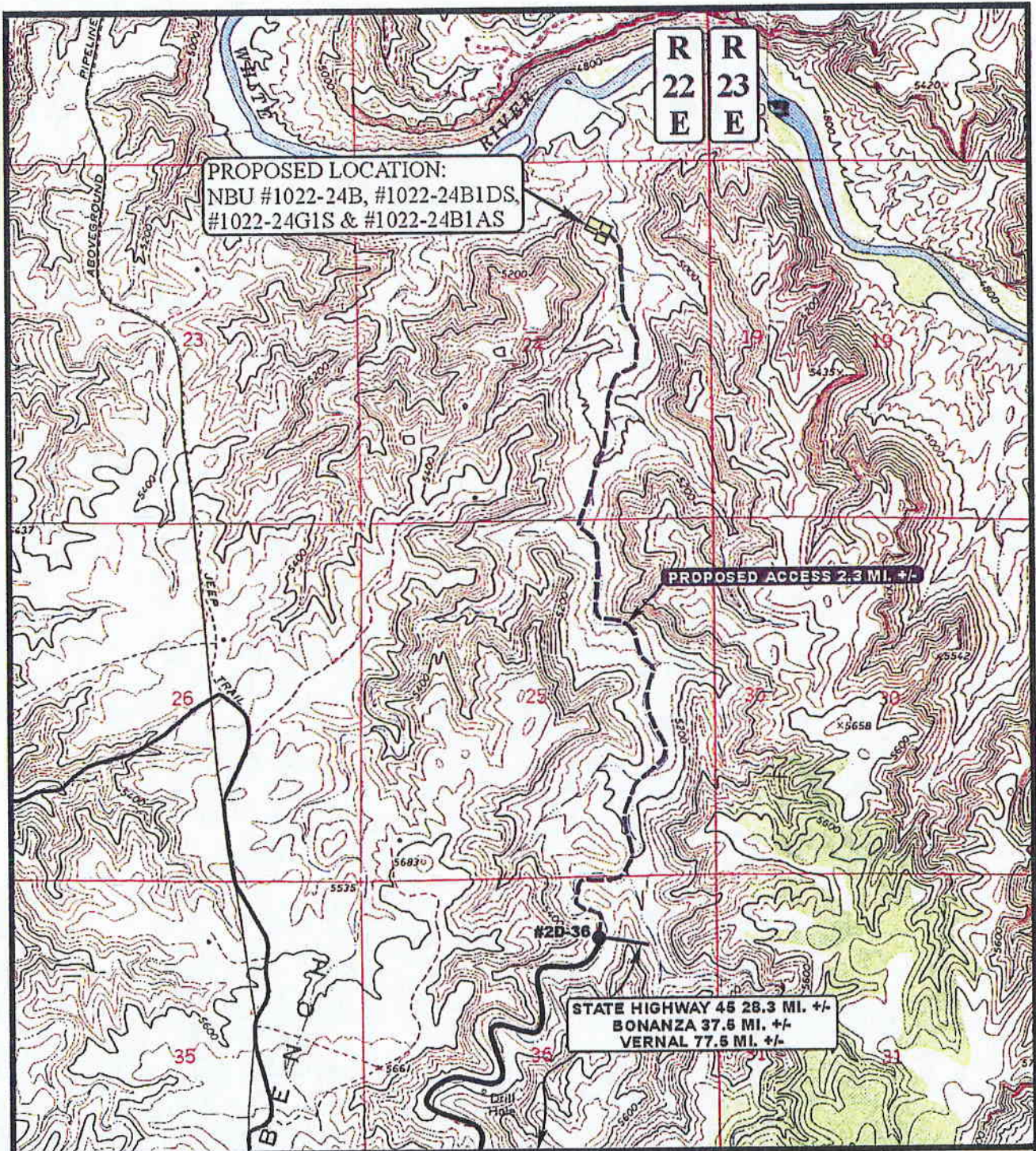


TOPOGRAPHIC
MAP

02 05 04
MONTH DAY YEAR



SCALE: 1:100,000 DRAWN BY: P.M. REV: 05-06-03 Z.L.



LEGEND:

EXISTING ROAD
PROPOSED ACCESS ROAD

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24B, #1022-24BIDS,
#1022-24G1S & #1022-24B1AS
SECTION 24, T10S, R22E, S.L.B.&M.
NW 1/4 NE 1/4



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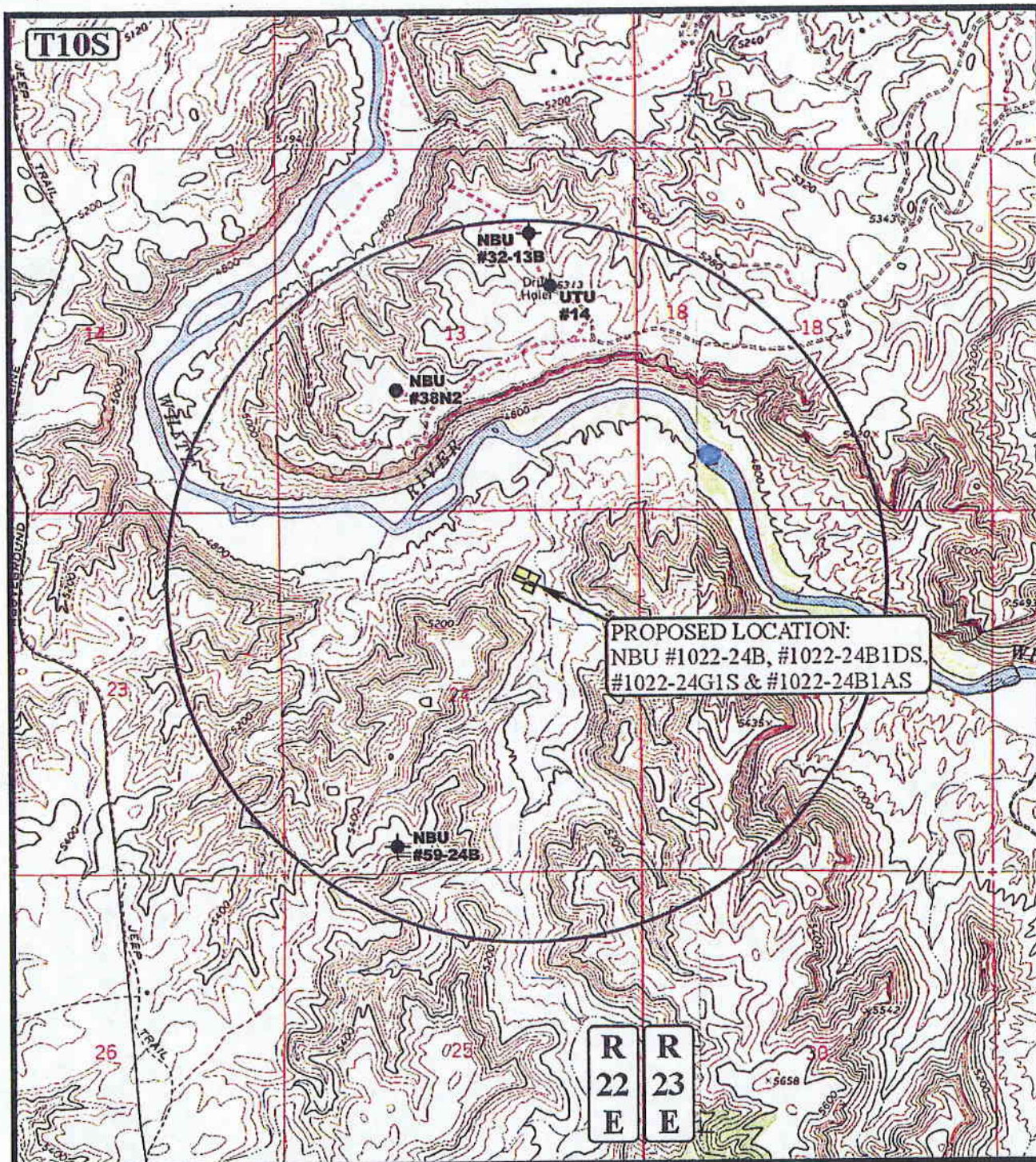


TOPOGRAPHIC
MAP

02 05 04
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REV: 05-06-08 Z.L.

B
TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



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Kerr-McGee Oil & Gas Onshore LP

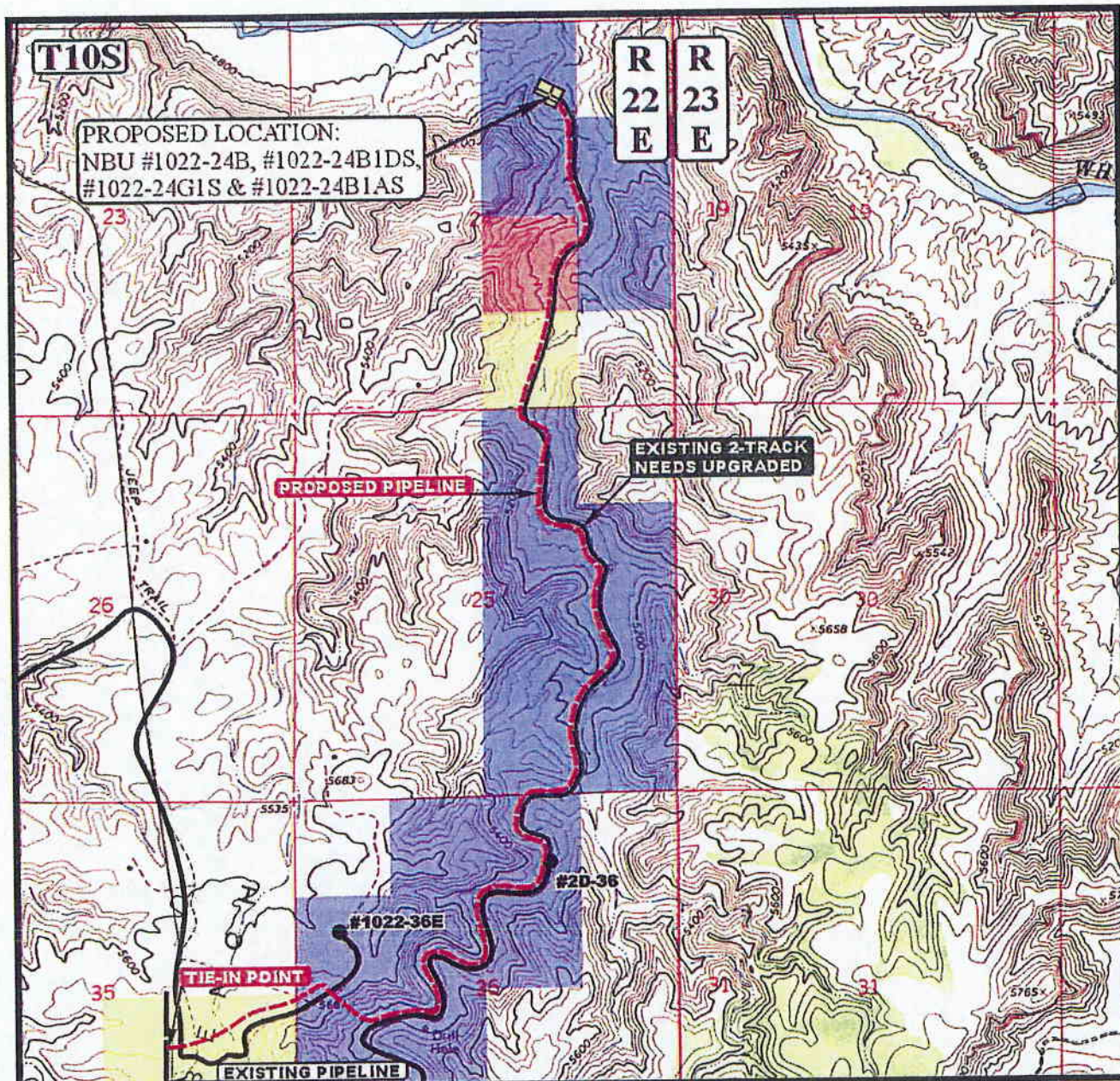
NBU #1022-24B, #1022-24B1DS,
 #1022-24G1S & #1022-24B1AS
 SECTION 24, T10S, R22E, S.L.B. & M.
 NW 1/4 NE 1/4

**TOPOGRAPHIC
 MAP**

02 05 04
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REV: 05-06-08 Z.L.





APPROXIMATE TOTAL PIPELINE DISTANCE ON STATE LAND = 16,291' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE ON B.L.M. LAND = 3,207' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE ON FEE LAND = 940' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE = 20,438' +/-

LEGEND:

- EXISTING 2-TRACK NEEDS UPGRADED
- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- FEE LAND ■ B.L.M. LAND ■ STATE LAND

N

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-24B, #1022-24B1DS,
#1022-24G1S & #1022-24B1AS
SECTION 24, T10S, R22E, S.L.B.&M.
NW 1/4 NE 1/4

U E L S

Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

12 28 06
MONTH DAY YEAR

**D
TOPO**

SCALE: 1" = 2000' DRAWN BY: B.C. REV: 05-06-08 Z.L.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/10/2008

API NO. ASSIGNED: 43-047-40131

WELL NAME: NBU 1022-24G1S

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 720-929-6226

CONTACT: KEVIN MCINTYRE

PROPOSED LOCATION:

NWNE 24 100S 220E

SURFACE: 1044 FNL 1601 FEL

BOTTOM: 1515 FNL 1580 FEL

COUNTY: Uintah

LATITUDE: 39.93884 LONGITUDE: -109.3839

UTM SURF EASTINGS: 638081 NORTHINGS: 4422009

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	9/16/08
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ST ML 23610

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 22013542)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

R649-2-3.
Unit: NATURAL BUTTES
R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1999
Siting: 460' for 1600' & 1600' m. Track
☒ R649-3-11. Directional Drill

COMMENTS: Needs Permit (09-01-08)

STIPULATIONS: 1- STATEMENT OF BASIS

2- OIL SHALE

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

9/8/2008

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM			
810	43-047-40131-00-00		GW	S	No			
Operator	KERR-MCGEE OIL & GAS ONSHORE, L.P.		Surface Owner-APD					
Well Name	NBU 1022-24G1S	Unit						
Field	UNDESIGNATED	Type of Work						
Location	NWNE 24 10S 22E S 1044 FNL 1601 FEL GPS Coord (UTM) 638081E 4422009N							

Geologic Statement of Basis

Kerr McGee proposes to set 1,500' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5,000'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 24. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill
APD Evaluator

9/8/2008
Date / Time

Surface Statement of Basis

The general area is Archy Wash located south of the White River in Uintah County, Utah. Vernal, Utah is approximately 37 air miles to the northwest and Bonanza, Utah approximately 12 miles to the northeast. Archy Bench is approximately 1 mile to the west and West Fork of Saddle Tree Draw 1-2 miles to the east. The topography in the area is characterized by steep sidehills bordering winding narrow to moderately narrow draws. Many side-slopes are rimmed with sandstone bedrock forming vertical cliffs. Numerous small side draws lead away from the main divides. All drainages are ephemeral only flowing during winter snowmelt and following intense summer rainstorms. Roads are commonly constructed in the bottom of the washes and are subject to washing out following runoff events. Erosion from side-slopes is moderate. No streams seeps or springs are known to exist in the area.

The proposed NBU 1022-24G1S gas well is approximately 79.8 road miles south of Ouray, Utah accessed by Uintah County roads to within approximately 100 feet of the site where a new road will be constructed to the location.

The location is in the bottom of Archy Wash on a northeast side-slope of a high near vertical ridge, which begins near the southeast corner of the location. Several washes intersect the location and are planned to be diverted around the southwest end. The White River is approximately 1/4 mile down drainage. The location was originally laid out for one well, the NBU 1022-24B well that has been approved. The proposed pad has been enlarged and three additional wells have been added.

Both the surface and minerals are owned by SITLA. Jim Davis of SITLA was invited to the pre-site investigation. He did not attend, as he had no concerns pertaining to the previously staked location. The selected location appears to be the best site for drilling and operating a well in the immediate area.

Ben Williams representing the UDWR attended the previous pre-site. He at that time stated the area is classified as yearlong critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Jim Davis of SITLA and Carroll Estes of Kerr McGee a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the location.

Application for Permit to Drill
Statement of Basis
Utah Division of Oil, Gas and Mining

9/8/2008

Page 2

Floyd Bartlett
Onsite Evaluator

9/1/2008
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator KERR-MCGEE OIL & GAS ONSHORE, L.P.
Well Name NBU 1022-24G1S
API Number 43-047-40131-0 **APD No** 810 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NWNE **Sec** 24 **Tw** 10S **Rng** 22E 1044 FNL 1601 FEL
GPS Coord (UTM) 638073 4422011 **Surface Owner**

Participants

Floyd Bartlett, David Kay (Uintah Engineering and Land Surveying) and Rayleen White (Kerr McGee)

Regional/Local Setting & Topography

The general area is Archy Wash located south of the White River in Uintah County, Utah. Vernal, Utah is approximately 37 air miles to the northwest and Bonanza, Utah approximately 12 miles to the northeast. Archy Bench is approximately 1 mile to the west and West Fork of Saddle Tree Draw 1-2 miles to the east. The topography in the area is characterized by steep sidehills bordering winding narrow to moderately narrow draws. Many side-slopes are rimmed with sandstone bedrock forming vertical cliffs. Numerous small side draws lead away from the main divides. All drainages are ephemeral only flowing during winter snowmelt and following intense summer rainstorms. Roads are commonly constructed in the bottom of the washes and are subject to washing out following runoff events. Erosion from side-slopes is moderate. No streams seeps or springs are known to exist in the area.

The proposed NBU 1022-24G1S gas well is approximately 79.8 road miles south of Ouray, Utah accessed by Uintah County roads to within approximately 100 feet of the site where a new road will be constructed to the location.

The location is in the bottom of Archy Wash on a northeast side-slope of a high near vertical ridge, which begins near the southeast corner of the location. Several washes intersect the location and are planned to be diverted around the southwest end. The White River is approximately 1/4 mile down drainage. The location was originally laid out for one well, the NBU 1022-24B well that has been approved. The proposed pad has been enlarged and three additional wells have been added.

Both the surface and minerals are owned by SITLA.

Surface Use Plan

Current Surface Use

Grazing
Recreational
Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.1	Width 305 Length 410	Onsite	UNTA

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Vegetation consists of big sagebrush, greasewood, spiny hopsage and broom snakeweed. Vegetation is sparse.

Antelope, rabbits, coyotes, and small mammals, birds and raptors.

Soil Type and Characteristics

Soils are moderately deep rocky sandy loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Several washes intersect the location and are planned to be diverted around the southwest end.

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run?

Paleo Potential Observed? N

Cultural Survey Run?

Cultural Resources?

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	<300	20
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 40 1 **Sensitivity Level**

Characteristics / Requirements

The proposed reserve pit is 100' x 250' x 10' deep located in a cut on the southeast corner of the location. A 20 mil liner with a felt sub-liner is planned by Kerr McGee.

Closed Loop Mud Required? N

Liner Required? Y

Liner Thickness 20

Pit Underlayment Required? Y

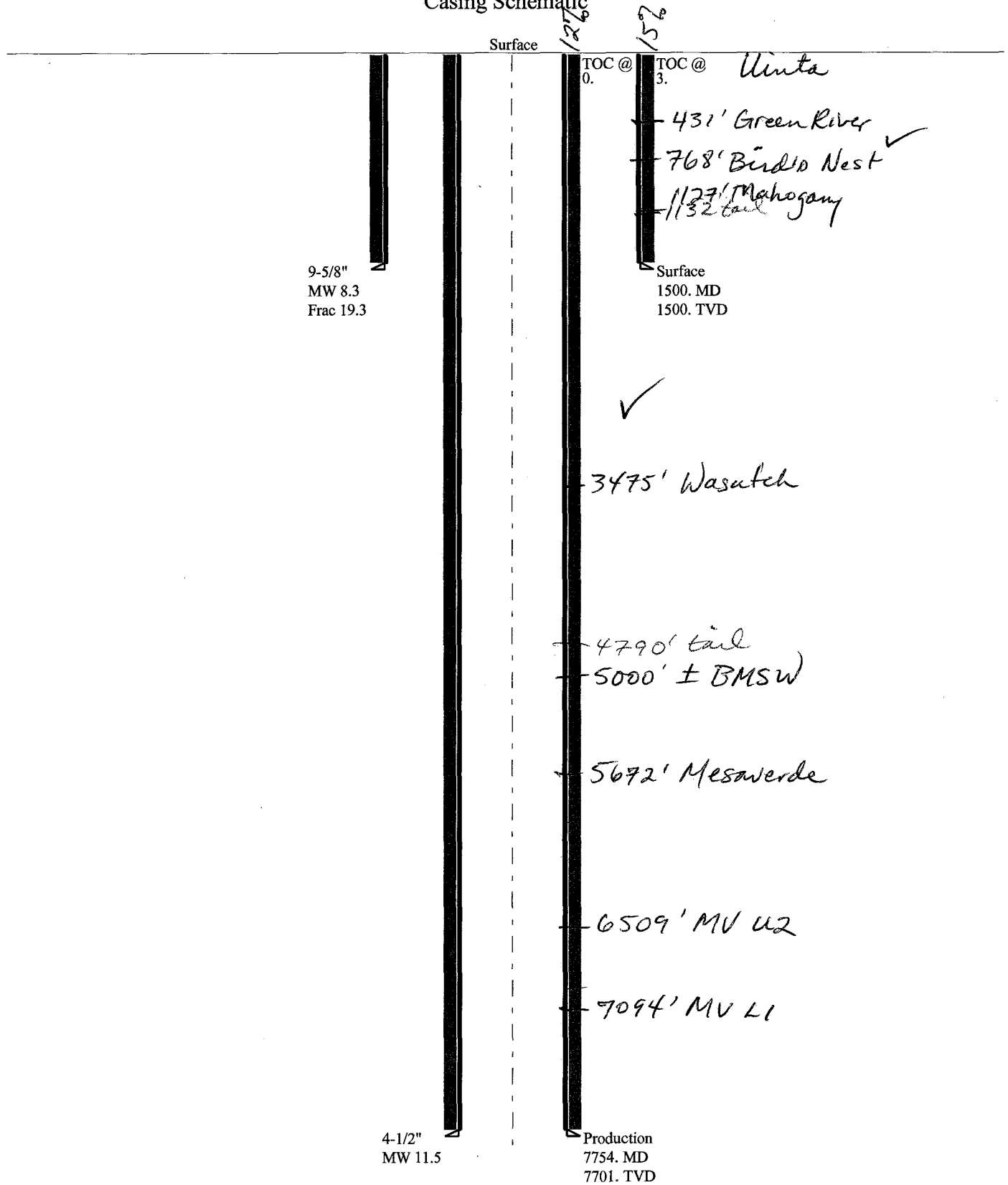
Other Observations / Comments

Floyd Bartlett
Evaluator

9/1/2008
Date / Time

43047401310000 NBU 1022-24G1S

Casing Schematic



Well name: **43047401310000 NBU 1022-24G1S**

Operator: **Kerr McGee Oil & Gas Onshore L.P.**

String type: **Surface**

Project ID:

43-047-40131-0000

Location: **Uintah County, Utah**

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 96 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,300 ft

Cement top: 3 ft

Burst

Max anticipated surface pressure: 1,320 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,500 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,315 ft

Completion type is subs
Non-directional string.

Re subsequent strings:

Next setting depth: 7,701 ft
Next mud weight: 11.500 ppg
Next setting BHP: 4,601 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,500 ft
Injection pressure: 1,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1500	9.625	36.00	J-55	LT&C	1500	1500	8.796	651.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	649	2020	3.112	1500	3520	2.35	47	453	9.57 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: September 15, 2008
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1500 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	43047401310000 NBU 1022-24G1S	
Operator:	Kerr McGee Oil & Gas Onshore L.P.	
String type:	Production	Project ID: 43-047-40131-0000
Location:	Uintah County, Utah	

Design parameters:
Collapse

Mud weight: 11.500 ppg
Internal fluid density: 2.330 ppg

Minimum design factors:
Collapse:

Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 183 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Burst:

Design factor 1.00

Cement top: Surface

Burst

Max anticipated surface pressure: 2,907 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 4,601 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Completion type is subs

Directional well information:

Kick-off point 1560 ft
Departure at shoe: 466 ft
Maximum dogleg: 2.94 °/100ft
Inclination at shoe: 0 °

Tension is based on buoyed weight.

Neutral point: 6,430 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7754	4.5	11.60	I-80	LT&C	7701	7754	3.875	676.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3669	6360	1.734	4601	7780	1.69	74	212	2.87 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: (801) 538-5357
FAX: (801) 359-3940

Date: September 15, 2008
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 7701 ft, a mud weight of 11.5 ppg. An internal gradient of .121 psi/ft was used for collapse from TD. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW

Kerr-McGee NBU 1022-24G1S API 43-047-40131-0000

INPUT

Well Name

Kerr-McGee NBU 1022-24G1S API 43-047-40131-0000			
String 1	String 2		
Casing Size (")	9 5/8	4 1/2	
Setting Depth (TVD)	1500	7701	
Previous Shoe Setting Depth (TVD)	20	1500	✓
Max Mud Weight (ppg)	8.4	11.5	
BOPE Proposed (psi)	500	5000	
Casing Internal Yield (psi)	3520	7780	
Operators Max Anticipated Pressure (psi)	4807	12.0 ppg	✓

Calculations

		String 1	9 5/8 "	
Max BHP [psi]		.052*Setting Depth*MW =	655	
				BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]		Max BHP-(0.12*Setting Depth) =	475	YES ✓ Air Drill to surface shoe with diverter
MASP (Gas/Mud) [psi]		Max BHP-(0.22*Setting Depth) =	325	YES
				*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe		Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	330	NO Reasonable Depth
Required Casing/BOPE Test Pressure			1500 psi	
*Max Pressure Allowed @ Previous Casing Shoe =			20 psi	*Assumes 1psi/ft frac gradient

Calculations

		String 2	4 1/2 "	
Max BHP [psi]		.052*Setting Depth*MW =	4605	
				BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]		Max BHP-(0.12*Setting Depth) =	3681	YES ✓
MASP (Gas/Mud) [psi]		Max BHP-(0.22*Setting Depth) =	2911	YES
				*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe		Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	3241	NO Reasonable
Required Casing/BOPE Test Pressure			5000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =			1500 psi	*Assumes 1psi/ft frac gradient

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

June 16, 2008

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2008 Plan of Development Natural Buttes Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2008 within the Natural Buttes Unit, Uintah County, Utah.

API# WELL NAME
(Proposed PZ MesaVerde)

LOCATION

43-047-40136 NBU 921-20IT Sec 20 T09S R21E 1902 FSL 0822 FEL
43-047-40135 NBU 921-15MT Sec 15 T09S R21E 0697 FSL 0406 FWL
43-047-40134 NBU 922-31GT Sec 31 T09S R22E 1664 FNL 1349 FEL
43-047-40133 NBU 922-32CT Sec 32 T09S R22E 0809 FNL 2154 FWL

(Proposed PZ Wasatch/MesaVerde)

43-047-40129 NBU 1022-24B1AS Sec 24 T10S R22E 1052 FNL 1583 FEL
BHL Sec 24 T10S R22E 0150 FNL 1375 FEL

43-047-40130 NBU 1022-24B1DS Sec 24 T10S R22E 1026 FNL 1637 FEL
BHL Sec 24 T10S R22E 0540 FNL 1605 FEL

43-047-40131 NBU 1022-24G1S Sec 24 T10S R22E 1044 FNL 1601 FEL
BHL Sec 24 T10S R22E 1515 FNL 1580 FEL

43-047-40141 NBU 1022-24I1S Sec 24 T10S R22E 2062 FSL 1130 FEL
BHL Sec 24 T10S R22E 2330 FSL 0585 FEL

43-047-40142 NBU 1022-24G3S Sec 24 T10S R22E 2037 FSL 1184 FEL
BHL Sec 24 T10S R22E 2225 FNL 2140 FEL

43-047-40140 NBU 1022-24G2S Sec 24 T10S R22E 2053 FSL 1148 FEL
BHL Sec 24 T10S R22E 1815 FNL 2100 FEL

Our records indicate the 1022-24B1AS, 1022-24B1DS, 1022-24G1S and the 1022-24I1 bottom hole location is closer than 460 feet from the Natural Buttes Unit boundary.

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:6-16-08



Kerr-McGee Oil & Gas Onshore LP
1099 18 STREET, SUITE 1200
DENVER, CO 80202

June 16, 2008

Mrs. Diana Mason
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-6100

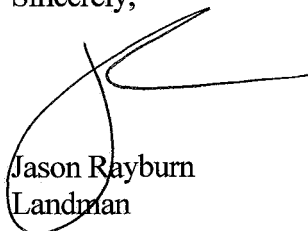
RE: NBU 1022-24G1S
T10S-24E
Section 24: SWNE
1515' FNL, 1580' FEL
Uintah County, Utah

Dear Mrs. Mason:

Kerr-McGee Oil & Gas Onshore LP has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to Spacing Order 173-14. The well location was moved for topographic reasons. Kerr-McGee owns 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location.

Kerr-McGee requests your approval of this exception location. If you have any questions, call me at 720-929-6262. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Rayburn', with a large, stylized flourish extending from the end of the signature.

Jason Rayburn
Landman

RECEIVED

JUN 18 2008

DIV. OF OIL, GAS & MINING

From: Jim Davis
To: Bonner, Ed; Mason, Diana
Date: 1/28/2009 10:59 AM
Subject: APD approvals- A bunch of Kerr McGee

CC: Garrison, LaVonne; Raleen.White@anadarko.com
The following wells have been approved by SITLA including arch and paleo clearance.

Condition of approval: Spot-checking of pad construction/ extension for paleo resources:

NBU 1022-24B1AS 4304740129

NBU 1022-24B1DS 4304740130

NBU 1022-24G1S 4304740131

and

NBU 1022-25J3S 4304750070

NBU 1022-25J1S 4304750069

NBU 1022-25O2S 4304750071

No COA's:

NBU 1022-24G2S 4304740140

NBU 1022-24G3S 4304740142

NBU 1022-24I1S 4304740141

FYI: These wells had been approved by SITLA previously. The APDs have been extended. Kerr McGee recently sent paleo reports to SITLA- there were no recommendations from the surveying paleontologist. Just in case anyone needs it, SITLA (still) approves of these APDs.

NBU 1022-25G 4304739142

NBU 1022-25G3S 4304740443

NBU 1022-25G4S 4304740442

NBU 1022-25G2S 4304740441

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 28, 2009

Kerr-McGee Oil & Gas Onshore, LP
P O Box 173779
Denver, CO 80217-3779

Re: NBU 1022-24G1S Well, 1044' FNL, 1601' FEL, NW NE, Sec. 24, T. 10 South,
R. 22 East, Bottom Location 1515' FNL, 1580' FEL, SW NE, Sec. 24, T. 10 South,
R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40131.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA
Bureau of Land Management, Vernal Office



Operator: Kerr-McGee Oil & Gas Onshore, LP
Well Name & Number NBU 1022-24G1S
API Number: 43-047-40131
Lease: ST ML 23610

Location: NW NE Sec. 24 T. 10 South R. 22 East
Bottom Location: SW NE Sec. 24 T. 10 South R. 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
7. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ST ML 23610			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-24G1S			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1044 FNL 1601 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 24 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047401310000			
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/28/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.					
<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining </div>		Date: January 25, 2010			
<div style="text-align: right;"> By: </div>					
NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156			
SIGNATURE N/A		TITLE Regulatory Analyst			
		DATE 1/25/2010			



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401310000

API: 43047401310000

Well Name: NBU 1022-24G1S

Location: 1044 FNL 1601 FEL QTR NWNE SEC 24 TWNP 100S RNG 220E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 1/28/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 1/25/2010

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: January 25, 2010

By: 

RECEIVED January 25, 2010

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ST ML 23610
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-24G1S
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1044 FNL 1601 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 24 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047401310000
PHONE NUMBER: 720 929-6515 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/28/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02/03/2011

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 1/28/2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401310000

API: 43047401310000

Well Name: NBU 1022-24G1S

Location: 1044 FNL 1601 FEL QTR NWNE SEC 24 TWNP 100S RNG 220E MER S

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Date Original Permit Issued: 1/28/2009

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- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Danielle Piernot

Date: 1/28/2011

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED January 28, 2011



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

February 10, 2012

Kerr McGee Oil & Gas Onshore, L.P.
P.O. Box 173779
Denver, CO 80217

Re: APD Rescinded – NBU 1022-24G1S, Sec. 24, T. 10S, R. 22E
Uintah County, Utah API No. 43-047-40131

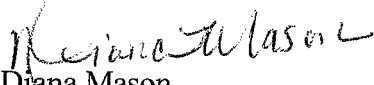
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 28, 2009. On January 25, 2010 and February 3, 2011 the Division granted a one-year APD extension. On February 10, 2012, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 10, 2012.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

